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M. POINCARÉ.

[Félix, Paris

RAYMOND POINCARÉ

A SKETCH



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THIS book was written and completed before the outbreak of war, before the assassination of the Archduke Ferdinand of Austria, and some of the statements it contains may appear to-day to have only a retrospective interest, but the generality of them will, on the contrary, it is the author's belief, help to explain much in the course of the events we are now witnessing, the possibility of which was foreshown in such passages as the following: "Should the calamity of a European war ever occur, England must inevitably be ranged in the opposite camp to Germany. For us it is a question of life and death."

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RAYMOND POINCARÉ

A RAPID SURVEY OF THE PRESIDENT'S
EARLY YEARS AND POLITICAL CAREER

I

EARLY YEARS

RAYMOND POINCARÉ was born in 1860 at Bar-le-Duc, in Lorraine, a province which had already contributed six members to the French Academy at the time of his election to that body. He came of a solid middle-class stock, his father being a civil engineer in easy circumstances. He began his education at a preparatory school, from which he subsequently proceeded to the *lycée* of his native town, where he worked assiduously and displayed considerable ability. In 1875 he obtained the prize for general proficiency (*prix d'excellence*), the first prize for French composition,

Latin composition, Latin verse, Greek composition and Natural History and numerous other prizes. In the following year he again carried off many first prizes.

In 1876 young Poincaré was sent as a boarder to the Lycée Louis-le-Grand in Paris. His literary tastes and activities now began to display themselves in his letters home. Some of them contain "portraits" of his school-fellows modelled upon those of La Bruyère and other writers of the seventeenth century. They display subtle powers of discrimination and distinct literary charm. In some he discusses the advantages and disadvantages of the boarding-school, and decides against it. Throughout he displays a thoughtfulness and seriousness in advance of his years, combined with much tender affection for his parents, and longing to return to his home in the country.

In spite of his dislike of the "pedagogic barracks," as he called the *lycée*, he continued to work with that untiring industry which always characterised him, speaking in a youthful poetic effusion of "odious leisure." But all the same, he would fain be back in

his native town, and in a clever and amusing letter dwells regretfully upon the lost delights of the local fair.

After passing his *baccalauréat* the grave question of the choice of a career arose. His ambition lay in the direction of a University training, and to this end he wished to study at the École Normale Supérieure. On the other hand, this would have meant residence at the school in Paris, and he disliked the *internat*; moreover, his mother's practical mind saw a better career for her son at the Bar. The future President thereupon began his legal studies, at the same time attending lectures at the Sorbonne, and eventually taking his degree in both law and arts.

Life in the Latin Quarter was more to his taste than at the *lycée*. His cousin Henri Poincaré, the well-known mathematician, was also an inmate of the boarding-house where he lodged, and it was here that he had the good fortune to meet Alexandre Millerand, Gabriel Hanotaux, and C. Bernard, with whom he formed strong friendships. M. Hanotaux recalls the fact that young Poincaré went by the nickname of "Prudence Lorraine" among his friends, and they all had a great

admiration for his clear intelligence, which showed itself in many directions.

The scattered members of the Poincaré family were destined soon to be reunited. M. Antoni Poincaré, his father, having been appointed Inspector-General of Roads,¹ moved to Paris. Raymond was therefore able once more to live at home, while his younger brother, (now Inspector-General of Secondary Education), attended the *École Normale Supérieure*.

In 1879 he returned to Nancy to go through his period of military service, serving with the 26th regiment of the line. He found this task an easy and even a congenial one, and here again his letters give a vivid picture of his life.

At this period he made his first attempt at journalism, publishing both prose articles and poems in the *Echo de l'Est*. In August, 1880, he passed his examination for the *licence en droit*.

This same year M. Poincaré returned to Paris. He now began to contribute to the *Voltaire* under the pseudonym of Jacques Aubertin, as well as to the *XIX'*

¹ *Inspecteur-général des ponts et chaussées.*

Siècle, a review edited by Edmond About. He received appreciative letters from Alphonse Daudet, and from Jules Claretie, in return for his criticisms of their work. "Never," he says, "had I felt so proud as then." His journalistic proclivities have remained with him; and on the occasion of his election to the Presidency he begged his former colleagues of the Press to regard him as an honorary journalist, and promised, when the allotted term of his new duties should expire, to take up the pen once more.

In the days of his first attempts he submitted some of his work to André Theuriet, who, while complimenting him upon it, advised him to make a position for himself in some other direction. This tallied with his mother's wishes, and he set to work in earnest to qualify for his profession, still keeping his pen busy, attending the law courts, studying procedure in an attorney's office, and working at the University for his doctor's degree, which he obtained in 1883.

In this year, at the barristers' meeting, "Conférence des avocats," he made the opening speech, which ended with this characteristic

sentence: "There are only two beautiful things in the universe: the sky above our heads and the sense of duty in our hearts."

The young barrister did not belie his early promise. When once he had entered upon his professional career his rise was rapid, and he quickly became one of the leading advocates of the Paris Bar. Even when involved in politics he still found the necessary time and energy to follow his profession with marked success. His native sagacity had shown him the necessity of making an independent position for himself. He has also frequently expressed the opinion that politics should not be looked upon as a profession. While representing his constituents to the best of his ability, he liked to feel that his life rested upon a solid basis and was disciplined by regular work.

Success as an advocate rapidly crowned his efforts. Important briefs fell to him, and he appeared as counsel in many important cases. His work sometimes took him into the provinces and even abroad—in one instance as far afield as Roumania, where he went to defend a compatriot, whose case no local lawyer would undertake.

His taste for literature and art showed itself in the law courts, not only in the polished form of his speeches, but also in his choice of cases. For many years he was the chosen defender of the French Society of Authors, and of the Council of the Press Association. He championed a celebrated actress in her action against the *Comédie Française*, and he also acted on behalf of the Society of Musical Composers. His pleading in a celebrated literary case led Alphonse Daudet to remark: "Our dear friend Goncourt founded the Academy, but Poincaré has breathed life into it!"

The high standard of his forensic eloquence was generally recognised; and Maître Barboux, of the French Academy, has compared it to that of a Spartan magistrate. His speeches were invariably written out beforehand and committed to memory; a memory altogether exceptional in its tenacity. It is related that he showed the speech which he intended to make at the funeral of the celebrated engraver, J. C. Chaplain, to a member of his family, who out of curiosity followed the orator, manuscript in hand. Not a word was changed!

While his skill in the courts brought him fame and success, his sterling personal qualities have won for him the esteem of his colleagues of the Bar. In 1911 he was chosen to sit upon the Council of their order, and on two occasions they accorded him a public reception by the whole order ; in 1909 when he became a member of the Academy, and again on the occasion of his election to the Presidency of the Republic.

II

ENTRY INTO POLITICS

The Budget of 1893—Minister of Education—His Views
on Citizenship

IT was in 1886 that M. Poincaré's public life began. In that year M. Jules Develle, Minister of Agriculture, chose the young barrister to be his private secretary. In 1887 he became *Conseiller général* for Pierrefitte; and in less than two months after, he contested the seat vacated by the death of M. Lionville, Member of the Meuse, and won it by a large majority over three rival candidates, of whom one was the celebrated General Boulanger. In 1889 he was elected to the Chamber as Member for Commercy.

For the first three years the young parliamentarian remained a silent member. The country was then passing through the Boulangiste crisis, and he was content to wait for his opportunity. Meanwhile, upon the advice of Jules Develle, he was specialising in finance.

Ever since the disasters of the war, the restoration of the national credit had naturally become the leading question in France, and had occupied the attention of both Thiers and Gambetta. To place the budget of the Republic on a sound footing seemed to M. Poincaré the most useful and important task for a patriotic politician to attempt. The way was open to him when he was placed on the Budget Commission. In 1890 he was entrusted with the task of drafting the estimates for the Ministry of Finance, a duty which is always regarded as a stepping-stone to the office of Reporter-General for the Budget Commission. His first speech in the Chamber was made in defence of the budget presented by that well-known financier, Maurice Rouvier.

His mastery of the subject was at once evident. Speaking in the presence of the Minister whose budget he was discussing, before a Chamber of which he was almost the youngest member, he impressed his hearers by the skill with which he dealt with such intricate questions as the redemption of the National Debt and the unification of the budget. He insisted that reforms should be

introduced progressively and methodically. He was destined to pursue the ideal of unification all through his career, but he recognised the difficulties that lay in the way. When dealing with the army estimates he showed how "extraordinary" items are apt to become permanent ones, owing to the ever-growing competition in armaments and to continual technical improvements. "It would undoubtedly be better that the immense sums spent in this way should be devoted to ameliorating the lot of the working classes, but we are powerless to alter the existing state of things, no matter how pacific we may be." He appealed to the patriotism of his countrymen to provide the necessary sums, and to show the world that they were rich enough and courageous enough to have the last word in the competition for armaments, in which the life of nations rather than the blood of armies is wasted. Clearly and dispassionately he exposed the obligations of an armed peace, and this at a time when a wave of anti-militarism was passing over the country, and when patriotism was at a low ebb.

To meet these needs the resources of the

country must be husbanded, and that was why M. Poincaré, free from party bias, admitted that out-of-date methods and an excessive number of officials were injurious to the State, not only on account of the expense involved, but also because they drained commerce and agriculture of active forces which might then be better employed in the interests of the nation.

His first speech was a great success, and was greeted with applause from all sides of the House. Henceforward the Member for Commercy was a person to be reckoned with in debate.

On March 28th, 1892, he interposed once more, speaking on behalf of the Budget Commission, this time with reference to the supplementary estimates. These had been made an opportunity, by certain Government departments, for withdrawing what they had previously conceded under the guise of economy, and of violating the important principle, "No public outlay without previous authorisation." M. Poincaré rose to protest against these proceedings; he recalled those concerned to a sense

of their duty, and upheld the system of control of authorised expenditure, which has since been organised and has proved so efficient a check upon the waste of public money.

The discussion of the budget of 1893 was a protracted one, and centred upon a proposal to reduce the taxes upon certain alcoholic beverages. M. Poincaré was then *Rapporteur général*. The Senate, alarmed at reforms, the fiscal effects of which it could not quite foresee, adopted a method of procedure frequently followed since, and "disjoined" them. To "disjoin" is an amiable euphemism; the reforms are not rejected, but adjourned; no pronouncement is made upon the principle involved, but the opportunity for carrying the reforms into effect is lost.

Many of the reformers were indignant at the audacity displayed by the Senate, and Edouard Lockroy proposed a resolution reaffirming the rights of the Chamber in financial matters and referring the budget back to the Senate. This would have involved an open conflict between the two assemblies. M. Poincaré foresaw this and refused to be-

come the instrument of such a rupture. He accordingly sent in his resignation. His place was taken by Lockroy, and the budget was sent back. The conflict foreseen by him arose, but proved a mere flash in the pan, for the reforms in question were not incorporated in the budget of 1893.

The event proved that he had judged rightly, his parliamentary authority was strengthened, and a few days later he returned to power.

This incident well illustrates his moderation and his practical common sense. Soon afterwards he took the opportunity of girding, good-naturedly, at the eagerness for hastening reforms at any cost, which had marked several successive legislatures, and pointed out the difference between reforms in the abstract—the only form in which they can be perfect—and their concrete application, which is often found impracticable through unforeseen circumstances and owing to conflicting interests.

On the fall of the Ribot Ministry, the President requested Méline to form a Cabinet, in which the portfolio of finance was offered to M. Poincaré, but he refused it; Méline then

resigned, and on April 6th, 1893, M. Charles Dupuy formed a Ministry in which M. Poincaré became Minister of Education. He was then under thirty, and the youngest Minister of the Republic ; but his wide culture rendered him pre-eminently suited for the post. One of his first public acts was a funeral oration on the occasion of Renan's death, a congenial task of which he acquitted himself with great distinction. His views on education may be gathered from the various speeches he delivered at different public functions during his term of office. In 1893, on the occasion of the unveiling of the statue of François Arago, he upheld the value of the cultured man to the State and deplored the fact that such men were seldom elected to serve on public bodies. At the celebrations at Château-Thierry in honour of La Fontaine he seized the opportunity to plead the cause of moderation. "La Fontaine denounced the evils which he observed without ostentation or exaggeration. He never mistook high-sounding words for good logic ; he had too much delicacy, too much moderation to fall into mere declamation. What is the good of noisy indignation and irritated gestures ? "

Moderation, indeed, has always been one of his favourite themes. It recurs again and again in his speeches. In July, 1893, we find the young Minister discoursing on art at the distribution of prizes at the Exhibition of French Artists, and in the same month, at the opening of a school for girls, he grapples with the question of women's education, refuting the opponents of Secondary Education for women.

On another occasion he spoke on "Classical education and patriotism." "What should be the aim of University Education?" "To enlighten the reason and to form the will, to form stout hearts and generous souls; patriotism is shown in the discipline of daily life. A democracy whose citizens are not possessed of strong characters and robust bodies is condemned to obscurity and decay. But a democracy in which the disorder of unrestrained wills was likely to disturb the harmony and social order as established by law is exposed to deadly shocks, and to the dismemberment which springs from anarchy."

Discipline, moderation, and obedience to constituted authority, these are the themes

upon which M. Poincaré has dwelt again and again ; at a time when ultra-humanitarianism and anti-militarism constituted, as he clearly saw, a real danger to the State.

At the celebrations in honour of Joan of Arc, in September, 1893, he again appealed to the spirit of true patriotism. In order that a nation may be really a nation, one and indivisible, it is not sufficient that its citizens should speak the same language, obey the same laws and customs ; they must be inspired with the common determination to live and to endure. Every member of the nation must understand that he is part of a whole, like the cell of an organism ; and must have a clear conception of his rôle in society, of his rights, duties, and responsibilities. In a word, there must be, on the part of all, a reasoned co-operation, a definite and voluntary contribution to the general purpose.

In his funeral oration on Gounod he inveighed against the excessive preference on the part of many of his countrymen for all that is foreign. " We have given and we give daily sufficient proof of our *impartiality* to have the right to proclaim our own glories." " In

Gounod's music," he added, "are to be found all the best qualities of our race: taste, charm, freedom from affectation." And he quotes this dictum of the great musician: "In the intellectual as well as in the moral world violence, far from being a sign of strength, is an indication of weakness."

This speech is thoroughly characteristic of M. Poincaré's tastes, though it may be questioned whether his enthusiasm for Gounod's music is not excessive, and whether the art of this latter is really as representative of the French genius as he maintains.

Thus from beginning to end M. Poincaré's message was that of moderation; nor was this unintentional on his part. Moderation, which does not exclude firmness, but which implies tolerance, is perhaps the greatest need of a Parliamentary *régime*. Moderation does not hamper new ideas; it ensures, however, that they are presented in such a way as not to wound other people's feelings. Enthusiasts are often the greatest enemies of the cause they espouse. It is his innate common sense that has always led the President to realise that if true progress is to be made, we must not rush madly in pursuit of

ill-considered ideals, but must first subject them to calm scrutiny. Theories are useless until they have been tested. New ideas, however attractive, must be judged by actual conditions. It is the practical and attainable result which we must consider.

M. Poincaré has always been opposed to violence and mistrusts party spirit, without, however, denying that the existence of opposing parties is a necessary feature in the political life of a healthy democracy, and is essential to the normal working of the representative system. "There must be parties," he says, "and parties which oppose one another, and which strive for precedence, waging war upon one another in the process. This is the price of progress. Great social ideas are begotten by parties. An idea deserves to live and to become an accomplished fact only after being ripened by the defeat of a party and tested by its final victory."

To-day when the party system in England is beginning to show signs of decay, when many political thinkers are subjecting this historic feature of British polity to violent and destructive criticism, it is interesting to remember that in countries such as France,

where it does not exist, or exists only in the form of the "group system," M. Poincaré and other thinkers of his school have been deploring its non-existence in their own country for the last twenty years.

This is a point, however, which demands closer attention, and which will be dealt with more fully in a subsequent chapter.

In November, 1893, Dupuy resigned office and M. Poincaré ceased to be Minister for Education. He had been in power for eight months only, but in this short time he had left his mark upon the educational system of his country.

III

FIRST TENURE OF THE MINISTRY OF FINANCE

The French Tax System—Proposed Reforms—Defence of
Parliamentary Institutions

THE Casimir-Perier Ministry fell in May, 1894. It was succeeded by that of M. Charles Dupuy, in which M. Poincaré became Finance Minister.

The financial question was at that time very much to the fore, and in the discussion which took place upon the budget he found many opportunities to display his knowledge of financial questions.

Carnot was assassinated on June 24th, and M. Casimir-Perier succeeded him, confirming the Dupuy Cabinet in its functions.

The debates which followed upon the proposed reforms in the direct taxes were brilliant, and the proposal to introduce an income-tax was discussed throughout three sittings.

The Finance Minister delivered a remarkable speech on July 12th, in which he fully

recognised the defects of the actual system of taxation. The proportion levied upon articles of consumption, he admitted, was too large. Direct taxation, both upon capital and income, also needed readjustment.

In his speech he laid down the principle that taxation is not payment for services received by the citizens, but is the share that each citizen must pay in proportion to his means to meet common expenses.

"Taxation," he said, "should be real in its incidence, personal in its aims." He was against taxation of income as a whole, but in favour of taxing its various sources ("*revenus*").

With equal vigour he opposed the system of a declaration of total income, favoured by M. Jaurès. Human nature being what it is, the sincerity of such declarations will always be doubtful, and the result will be to penalise honest citizens to the advantage of dishonest ones. Official inquiries into the citizen's private financial affairs are repugnant to French character and habits, and the deep respect for individual property, and for everything which safeguards and protects it, is shocked by such a system.



Photo by]

M. BRIAND.

[Gerschel, Paris

One practical reform was, however, introduced by him into the law of direct taxation in 1895. Taxes upon property, other than house property, were henceforth to be levied upon the net income produced by it. Hitherto a piece of unprofitable land had been as heavily taxed as a rich farm yielding a high rent.¹

In 1895 he proposed to replace the tax on doors and windows by a direct tax, and to introduce a sliding scale for the probate duties. In the latter project he was supported by the Socialists and was accused of socialistic tendencies; also of introducing a measure contrary to the general policy of the Government. To this he replied that the Government were of opinion that certain social reforms were necessary, and that the governing class must not lay itself open to the reproach of neglecting the interests of the proletariat.

In January, 1895, Félix Faure succeeded M. Casimir-Perier, who had resigned, and in consequence the Ministry was again dissolved. M. Poincaré was not a member of the new Cabinet formed by M. Ribot. Before the fall of the Dupuy Cabinet he had already wished

¹ See paragraph 2, p. 63.

to resign, as the House did not appear to welcome his financial proposals, but the approaching presidential crisis had induced him to remain at his post, until affairs became more settled. M. Ribot, however, unwilling to lose so valued a colleague, offered him the portfolio of education, which he accepted, and returned to his old post.

While in this department he stated his views upon the vexed question of elementary teachers taking part in electoral contests, and maintained that it was better for them to stand aloof from political contests. "You and your friends know better than anyone," he said to M. Jaurès, "that politics are at present becoming increasingly violent and bitter; and are complicated and envenomed by personal animosities and by violent conflicts between groups and individuals, by passions of every kind."

"In these circumstances teachers who have young minds to train, whose mission it is to educate the children of the French democracy, cannot but compromise their authority and their dignity by taking part in such conflicts." He expressed himself, also, as strongly in favour of absolute neutrality on

the teacher's part in moral and religious questions.

His energies were now chiefly occupied with administrative duties and with making speeches throughout the country in connection with various ceremonial events. In August, 1895, at the unveiling of a monument at Remiremont to the memory of those who had fallen in the war in 1870, he gave an interesting account of his political ideals. "Politics," he said, "are not entirely concerned with material interests." "What may be termed practical politics has been much vaunted of late, and rightly so, in so far as its advocates would have us guard against mere abstract forms, and impress upon us the necessity for the need of experience. But we should be wrong to desist from seeking new ideas, and to disdain new principles, in our eagerness for facts. Politics would be in danger of growing anæmic and atrophied, if they were only concerned with the pursuit of wealth and of physical well-being. Financial, economic, and administrative reforms are well enough in their way, but they are not everything. However good a reform may be in itself, it can only derive its full value from the spirit

which inspires it, and this spirit will never be truly beneficent unless it is inspired by an ideal."

The Ribot Ministry fell on October 28th, and was succeeded by that of M. Léon Bourgeois. M. Poincaré again refused the portfolio of finance: this time on account of the divergence between his views and that of his future colleagues regarding the taxation of income.

During his stay at the Education Office he had succeeded in placing several useful reforms to his credit. His own experience in the law schools had convinced him that the curriculum in force there was far too narrow for the actual needs of legal practice. By the decrees of April 30th, 1895, this was altered; the number of lectures was increased and the syllabus for the licence was broadened. Furthermore, the *doctorat* was divided into two sections: (1) Legal; (2) Political and Administrative. These reforms have since borne excellent fruit.

Another useful task was the rehabilitation of the provincial Universities, which had suffered from the centralising tendencies of the Empire. By the law of January, 1896, the different Faculties in one academic

district were united and formed into a University. The intellectual life of the provinces thus received a considerable stimulus, which has not, however, been able entirely to counteract the centralising influence of the capital.

Another measure enabled the museums of the Louvre, Versailles, Saint-Germain, and the Luxembourg to receive gifts and legacies and established a special body to administer such acquisitions and to assure the development of these artistic collections.

By further decrees M. Poincaré secured the reorganisation of the Bibliothèque Nationale, an improved system of scholarships for the pupils of *lycées* and *collèges*, and better pay for teachers in the Communal schools.

After the fall of the Bourgeois Cabinet, and the constitution of the Méline Ministry, M. Poincaré explained the political situation to his constituents in a speech at Commercys on April 29th, 1896. This speech was part of a campaign in defence of Parliamentary institutions, and of political and religious liberty. Just at this time Maurice Barrès told Gabriele d'Annunzio, then on a visit to Paris, "In visiting France you thought you had

come to see a pretty woman : but you will find her in hysterics." This state of agitation had been caused by a quarrel between the great mass of French opinion and certain Parliamentary groups. It was, in fact, a kind of domestic quarrel, which M. Poincaré tried to appease. He referred to the causes in a speech at Commercy on " the deviation of the Parliamentary *régime*," and in various other speeches characteristic of his views, which are referred to more fully hereafter.

In explaining the nature of the situation he said, " All political mechanism is subject to unforeseen disturbances, to friction, and to waste of energy." " The present evil arises from the fact that the Chamber has gradually arrogated to itself most of the attributes of sovereignty and the prerogatives of Government." He added that Parliament was fettered by the bonds of an out-of-date procedure, which left it weaponless against whims and inconsistencies of all kinds—such as the abuse of the right of making interpellations ; the continual setting aside of the order of the day ; the sudden interruption of debates ; and other Parliamentary abuses of a like nature. Considerable delay in

arriving at any conclusion and accomplishing any useful work is the result. In addition to this, there are too many ill-considered propositions, a storm of unexpected amendments in the course of debate, upon all projects under discussion, tending to introduce disorder and obscurity into Acts of Parliament. Hence the work of Parliament proceeds slowly ; imperfect and incoherent laws are sent back to be remodelled ; the Chamber is obliged to sit continuously, which leads to the institution of a Parliamentary caste. "The office of Member of Parliament is rapidly becoming a regular profession. Soon it will be nothing more than a luxury for the rich or a livelihood for the political adventurer."

He then outlined the political principles and doctrines of his party, which aimed at attaining an ideal of justice and of solidarity ; favoured the development of human personality ; and sought to ensure that the greatest possible number of citizens should be owners of property. These objects were to be attained not only by a general increase of wealth, but also, and above all, by raising the intellectual culture and moral standard of the masses.

“We are,” said M. Poincaré, “simply Republicans, and, as such, liberals and democrats. Is not the Republic the organisation of democracy? is not the first aim of democracy liberty? and is not liberty the indispensable condition of the full development of the human personality?” He was, in this instance, making a Republican confession of faith, as he has done on many other occasions; for he has always been consistent in this; and he has always proclaimed himself a convinced Republican and a thorough, almost ardent, democrat. On the former point there can be no doubt that he is wholly sincere, all his antecedents make him a Republican, and an uncompromising one; but it may be questioned whether his democratic enthusiasm is quite so genuine, quite so convinced; it may perhaps in part be due to the necessity, which all politicians in France are under, of rendering lip service to the so-called principles of '89.

IV

THE DREYFUS AFFAIR

Opposition—Election to the Senate—Again Minister of Finance

FOLLOWING on his refusal to become Minister of Finance in the Bourgeois Cabinet, M. Poincaré returned with renewed energy to his work as an advocate; allowing politics for a time to occupy a somewhat less important part in his life. He remained, however, one of the Vice-Presidents of the Chamber. When M. Bourgeois resigned in 1896, and was succeeded by the Méline Ministry, M. Poincaré again returned to more active participation in political life, taking a prominent part in the opposition to the Government. But this opposition was chiefly one of principle, and in several speeches which he delivered during this period he enunciated the main principles of his political creed, and stated the reasons for which he found himself in opposition to M. Méline. In 1898, shortly before the Méline Cabinet

retired, he was elected Leader of the Progressive Republicans.

The Cabinet was never defeated on a vote in the Chamber, but resigned owing to the difficulties created by the Dreyfus Affair and the demand for the revision of the trial which was being urgently made in many quarters at the time.

The whole country was divided and agitated by this controversy, which almost paralysed political life, and even threatened the existence of the Republic itself. What part did M. Poincaré take in it? What were his opinions?

After M. Méline's resignation a Ministry was formed by M. Brisson with the object of securing immediate revision. But this task proved too formidable, and the Ministry was very short-lived. M. Dupuy was then entrusted with the task of forming a new Cabinet; and in the consultations which preceded its formation, M. Poincaré took part; it was even said that he had been asked to form a Government himself. Be this as it may, he did not join the new Ministry, but he fully explained his views in a speech to the Chamber in November,

1898, during the height of the crisis. He stated his opinions conscientiously, even at the risk of being misunderstood by members of his own party, many of whom were hostile to revision in any form.

He began by saying that his one desire was to ascertain the truth, and that was the main reason for his speaking. He also expressed his entire devotion to, and his deep respect for, the army as a whole, which represented the entire nation. Furthermore, he added that the military courts were a regular part of the judicial system, and that there could be no excuse for a Government interfering with the regular course of military justice, or questioning the verdict of a properly constituted military tribunal, unless there existed grave reasons for suspecting that irregularities had occurred.

But the new developments which had come about since the date of the trial, and revelations which had recently been made, seemed to show that something was seriously wrong, and that the officials of the War Office had been attempting to hide certain facts from the Government. In these circumstances a full investigation seemed to

him necessary in order to arrive at the truth.

Finally—and this was the portion of his speech which was most resented and misunderstood—he admitted that, in 1894, he and his colleagues in the Dupuy Cabinet, with the exception of the Minister of War, General Mercier, had only learned of Dreyfus's arrest through the newspapers fifteen days afterwards. He added that he had never heard officially of the alleged confession. When reproached in the House for not having revealed these facts sooner, he maintained that the Government had no reason at the time for interfering with the ordinary course of justice, and that it was only in the light of the new facts, which had since come to light, that he now considered it his duty to make this statement.

This action on his part was greatly disapproved of by many members of his own party, who could not understand his reasons for speaking, and his speech was one of the chief contributory causes of the split which occurred in his party, the Progressive Republicans, in February, 1899; an event immediately followed by the formation of a

new group, the Republicans of the Left. M. Poincaré signed the manifesto which founded this new party.

Ten days afterwards the sudden and tragic death of President Faure changed the whole situation. Amidst a display of violent and conflicting passions, M. Loubet was elected President, and the antagonism which his election aroused culminated in the brutal and stupid incident at Auteuil. M. Poincaré took the first opportunity of emphasising his devotion to the leading principles of the Republic, and his disapproval of the incident. In company with M. Doumergue, the Leader of the Radicals, and M. Viviani, the official head of the Socialists, he addressed a message of respectful homage and sympathy to the President. The Dupuy Cabinet, embarrassed by these incidents, came to an end in June, and M. Poincaré was entrusted by the President with the task of forming a new Government. That he was sent for in this crisis was a proof of the high esteem in which he was held as a statesman, and the fact that he accepted the task was a tribute to his courage. But the obstacles

proved to be insurmountable. On the one hand, the Radicals refused to submit to the presence of M. Barthou in the Cabinet, although the policy he had been pursuing was analagous to that of M. Poincaré ; while his friend, M. Millerand, the most prominent of the Socialists, demanded that a place in the Cabinet should be found for M. Viviani, the titular leader of the group. M. Poincaré, however, did not feel justified in acceding to this demand, and was, therefore, reluctantly compelled to decline the task.

It is now a matter of history how M. Waldeck-Rousseau succeeded in forming a Government which was destined not only to wind up the Dreyfus affair and to give the country the peace which it stood in such need of, but also to last longer than any other Cabinet of the Third Republic.

Shortly before the Waldeck-Rousseau Ministry came to an end, M. Poincaré was once more re-elected for Commercy, remaining at that time the only Republican member for the Département of the Meuse. During the Combes *régime*, which succeeded the Waldeck-Rousseau Ministry, M. Poincaré found himself once more in opposition, for

the sectarian and anti-religious zeal of the Premier, and the anti-military activities of the Minister of War, General André, who has left behind him an unsavoury reputation in connection with the institution of the "fiches" system, were not at all to his taste. Largely on account of his disagreement with the policy of the Government on many important points he resigned his seat in the Chamber and was elected, unopposed, as Senator for the same Constituency which he had represented in the Chamber.

As a Member of the Senate he would naturally take a somewhat less active part in politics than formerly, for, though that body enjoys considerably more power and influence in France than does the House of Lords with us (even before the passage of the Parliament Act), its Members are less directly concerned with everyday political struggles, and move in a quieter and less troubled atmosphere than their colleagues of the Lower House. That he continued to follow politics closely, however, is shown by the fact that in 1904 he became a Member of the Central Executive Committee of the Alliance Démocratique Ré-

publicaine, which had been instituted in 1901, by M. Carnot, a brother of the former President, and which M. Poincaré had joined at the time of its formation. The main objects of this association were to oppose nationalist and anti-semitic attacks on the Republic, while at the same time guarding against the dangers of revolutionary anarchism.

Meanwhile, he was pursuing his career in the Senate, and was entrusted with the important post of Reporter-General to the Finance Commission. The Ministry fell in February, 1905, and M. Rouvier became Premier. He offered M. Poincaré the portfolio of Justice, but after having accepted it, M. Poincaré retired in favour of one of his friends, M. Chaumié. This abnegation on his part was probably not entirely unwelcome to his own family, for he has always been a determined opponent of anything in the shape of nepotism. Whilst he was Minister for Education his brother Lucien had always had to resign himself to wait for promotion until his elder brother was no longer in office, and the slowness of his career may be partly attributable to this.

Shortly after the formation of the Rouvier Cabinet, M. Poincaré presided at a banquet, given in honour of the Alliance Démocratique Républicaine, and made an important speech much applauded throughout the land. His policy was therein clearly defined. The creed which he exposed was essentially that of a moderate Liberal, bent on upholding Republican institutions and individual liberty against attacks either from reactionary clericalism or revolutionary socialism. He welcomed necessary measures of social reform, but spoke strongly in favour of the necessity of maintaining the authority of the Government and not allowing its employés to make demands incompatible with the public interests. He also declared himself in favour of the separation of Church and State, provided that this reform were carried out in accordance with Liberal principles, and with every safeguard for the liberty of the Church; and in the Senate he voted in favour of the law, which had been defended and piloted through the Chamber by his friend, M. Briand, with such ability.

In March, 1906, M. Rouvier resigned, and a new Ministry was formed by M. Sarrien

in which M. Poincaré once more became Minister of Finance. His tenure of that office was unfortunately all too brief, for the Government only lasted seven months. But during this period he made three notable speeches on the French financial system. In two of these, one to the Chamber and one to the Senate, he dealt again with the question of budgetary unity, whose necessity he defended strenuously, reviewing at the same time the results which had been accomplished since his first speech on this subject in 1892. In July, he made a remarkable speech on the French system of direct taxes, dealing with its defects, and at the same time outlining his proposals for the establishment of a general Income-Tax.

Unfortunately he was unable to proceed with his projects, for, despite all his zeal for economy and every effort which he made to cut down expenses in certain directions, there were certain charges which he refused to tamper with ; and the enormous figure of the Budget, which reached over four milliards of francs,¹ gave his opponents great opportunity for criticism. In spite of the remonstrances of the Budget Commission, who wished to

¹ £160,000,000.



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[Manuel, Paris

M. BOURGEOIS.

reduce the apparent size of the Budget by certain devices which he judged incompatible with budgetary unity, he refused to yield on this point, and so many difficulties were placed in his way that, when the Premier's health began to fail, he availed himself of this opportunity and resigned along with his chief. In January, 1907, shortly after the accession of the new Cabinet to power, he delivered a very searching criticism of M. Caillaux's Budget proposals, offered in the place of his own, which had been rejected.

He showed that the ever-increasing size of Budgets, an increase of nearly 700 million francs since 1886, was in a large part due to the achievement of budgetary unity, which M. Caillaux by his proposals was threatening. The increase was also largely due to the demands of social reform; but he admitted that he saw little prospect of checking this tendency, and thus effecting economy.

He was offered a place in the succeeding Clémenceau Cabinet, but refused to accept it; and for a time he again remained aloof from active political life, waiting for a more favourable opportunity, which was only destined to come later.

V

POLITICAL PERIOD, 1911-1913

Agadir—The Report of the Parliamentary Committee—The Ministry of All Talents—The Presidency

THE Briand Cabinet, which had succeeded M. Clémenceau's Administration, fell in February, 1911, and M. Monis offered M. Poincaré a portfolio. But he did not judge the moment opportune, and his intuition proved to be correct, for the short-lived, ill-fated Cabinet did not survive the tragic accident at the Juvisy Aerodrome, in May, 1911. It was followed by the Caillaux Ministry, with which he felt himself entirely out of sympathy, and which proved alike incompetent to deal with home and foreign affairs, and completely mismanaged the situation created by the Agadir incident.

It is unnecessary to recall the gravity of this crisis, which is still present in every mind, and the fact that a European war was averted was due far more to the prompt and energetic

action of the English Government, than to the policy pursued by M. Caillaux, which was at once weak, vacillating, and ambiguous; and which in his own country has been described in even harsher terms.

As a result of his action, France was obliged to cede considerable portions of her African possessions in return for the acquiescence of Germany to the establishment of a French Protectorate over Morocco, and this arrangement provoked violent opposition throughout the country. When the treaty embodying this settlement came up for ratification in the autumn, a Parliamentary Committee was appointed to enquire into the circumstances in which it had been negotiated and into the conduct of the Government, and M. Poincaré was entrusted with the drawing up of the report.

This was his opportunity, and in his report of the findings of the Committee he formulated a serious and weighty indictment of M. Caillaux's conduct during the negotiations. The report and the revelations which were made in the course of the debate in the Senate on the ratification of the treaty caused the precipitate resignation

of the Government. But while sparing neither the conduct of the Cabinet, nor disguising the disadvantages of the treaty itself, M. Poincaré maintained that it was nevertheless to the interests of the country that it should be ratified, and he adopted the statesmanlike course of voting for ratification in the Senate.

On M. Caillaux's resignation, the question of finding a successor arose, and public opinion proved to be almost unanimous in demanding that M. Poincaré should be summoned. His criticisms of the late Government's policy, embodied in the Report of the Commission, and his action in the Senate, had shown that he was in complete sympathy with public feeling.

The names of the men whom he was successful in persuading to act as his colleagues proved a remarkable tribute both to his judgment and to his prestige. Two ex-Premiers, the veteran M. Bourgeois, and M. Briand, who consented to serve under him, and also such notable politicians of widely different views as M. Delcassé (who had been working for the past three years at the reorganisation of the navy, and to

whom M. Poincaré entrusted the completion of the task), M. Millerand, M. Barthou, and M. Klotz. It was at once a Ministry of concentration and a Government of all the talents, and well deserved the epithet of "Ministère National" by which it subsequently became known.

The programme of the Government was at once straightforward, dignified, and comprehensive.

In home politics the new Premier proclaimed the necessity for union and concentration amongst all true Republicans, preaching, in fact, "la politique d'apaisement"; at the same time he emphatically upheld the necessity for maintaining the prestige of the country abroad, and therefore of keeping the military and naval forces of the country at the highest possible state of efficiency. He declared himself a firm believer in the Alliance with Russia, and in the Entente with England upon which the Government would base its foreign policy.

The formation of the Ministry was hailed with enthusiasm and relief throughout the country, all shades of opinion participating in this feeling. M. Poincaré himself assumed

the difficult task of directing foreign policy, and he soon found himself face to face with hard problems. First there were the delicate negotiations in Spain regarding the delimitation of the respective French and Spanish spheres in Morocco and the liquidation of various outstanding questions between the two Governments. These negotiations proved to be exceedingly arduous, for the French and Spanish views were widely different, and at one time it almost seemed as if serious complications might ensue; but thanks to the mingled firmness and flexibility of the Premier, who found great assistance in the good offices of the English Government, the various questions were finally disposed of in a satisfactory arrangement, embodied in the Franco-Spanish Treaty which was arrived at after months of hard work. How well the differences which, for a time, threatened Franco-Spanish relations were satisfactorily disposed of, has been shown by the President's recent successful visit to Madrid, which afforded excellent testimony to the merit of his work as a negotiator.

But while these questions still remained unsettled, friction arose with Italy over the

“Manouba” and “Carthage” incidents, and though the excitement which they aroused in Italy and in the South of France was out of all proportion to their real importance, and though no serious grounds of difference really existed between the two Governments, the situation for a time seemed rather menacing. Italian action bore a somewhat high-handed aspect at first sight, and this was resented in France. However, M. Poincaré in a firm but, at the same time, conciliatory speech, in which he clearly set forth the French point of view, did much to calm public opinion, and led up to an understanding with the Italian Government by which the dispute was referred to the arbitration of the Hague Tribunal; on the whole, the most satisfactory solution in the circumstances. The Foreign Minister’s foresight and statesmanship were justified by the subsequent verdict, which gave his country satisfaction on the main points at issue.

The summer passed in the arduous negotiations with Spain, but the autumn was not destined to bring him any repose, for, late in September, the sudden mobilisation of the

Balkan States and their ultimatum to Turkey came as a total surprise to the Chancellories of Europe. As soon as it became clear that nothing could avert war, all the efforts of European diplomacy became centred in the task of localising the conflict, and preventing it from spreading to the rest of Europe. It had become almost an article of faith that a war in the Balkans, so often predicted and yet always postponed, must inevitably result in European conflagration should it ever break out.

When the dreaded event actually came to pass, the worst was feared, and that the calamity of a general conflagration was actually prevented is due in large measure to the statesmanship of Sir Edward Grey and of M. Poincaré.

The latter took the initiative in organising concerted European action by his famous circular, in which, immediately after the outbreak of hostilities, he proposed that all the great Powers should subscribe to a sort of self-denying ordinance, making a declaration of territorial "disinterestedness." This proposition met with an immediate and favourable response from England and Russia,

speedily followed by Germany; and though Italy and Austria hesitated for a short time, they also ended by acquiescing, and there can be no doubt that M. Poincaré's action had a most salutary effect in helping to preserve peace. At a later period, subsequent to the decisive victories of the allies, Sir Edward Grey took the lead in maintaining concerted European action, and by assembling the Ambassadors' Conference in London he played the leading part in keeping the Great Powers in touch with one another and preventing European complications.

In France, meanwhile, the date of the Presidential election was approaching, and speculation became rife as to who was likely to succeed M. Fallières. At first, M. Poincaré's name was scarcely mentioned, M. Ribot, M. Deschanel, and M. Pams, a wealthy Radical Senator and Minister of Agriculture in the Poincaré Cabinet, being the principal candidates. It was only a short time before the date fixed for the election that he decided, largely owing to the pressing exhortations of his friends, to become himself a candidate for the Presidency. As soon as his name was put forward it immediately became clear

that he would be the representative of the principal Republican Group, Republicans without any qualification from whom he had formed his Ministry. M. Deschanel's candidature was withdrawn, and shortly afterwards M. Ribot himself retired publicly in favour of his friend, leaving M. Poincaré face to face with M. Pams, who had been put forward as the candidate of the Radical Socialist party, and who was supported by M. Clémenceau, M. Caillaux, and M. Combes. The result of the election did not remain long in doubt. After a short but determined contest M. Poincaré was elected on the second ballot by a large and decisive majority.

The enthusiasm with which the result was greeted throughout France, and among patriotic Frenchmen of all shades of opinion, was only less remarkable than the favourable comments with which it was received abroad. It was a fitting tribute to the climax of a remarkable career.

VI

FINANCE

M. Poincaré as a Financier—His Financial Reforms and Criticisms of the French Fiscal System

M. POINCARÉ'S skill as a financier has been one of the main reasons for the reputation of statesmanship which he enjoys in France. We have already seen that his first important post was that of Reporter to the Budget of the Ministry of France ; since then he has been Reporter-General for the Budget on several occasions, and has twice held the portfolio of Finance.

In order to understand his action in financial matters it is necessary to form some idea of the problems which have confronted him, and of the conditions under which he has had to work. The influence of English economic doctrines on the President's financial theories can clearly be traced, and it is even more striking than in the case of his general political philosophy, which also shows marks

of English influence. It affords a strong testimony to the admiration and sympathy with which English institutions have always inspired him.

His financial achievements may be classed under two heads : in the first place, the part he has taken in reforming and changing French financial practice, i.e. the actual form of the Budgets and the conditions under which they are voted ; in the second, what he has achieved and what he has attempted in reforming the French financial system itself, that is, the system of taxes by which the revenue is raised.

As regards the former, his opinions on the necessity of establishing budgetary unity and for abolishing "supplementary estimates," or "extraordinary expenditure," as it is usually termed in France, have already been referred to.¹ As M. Poincaré has shown conclusively on many occasions, it had been the practice of the various Governments since the Restoration to balance their Budgets by resorting to the questionable expedient of masking their deficits under the title of "extraordinary expenditure." When taunted

¹ See above, pp. 11 and 12.

with the growing deficits which have characterised the Budgets of the Third Republic since 1890, he proved conclusively that all the various " Régimes " had been equally guilty in this respect ; and that in many instances, both under the Monarchy and during the Second Empire, Budgets which were seemingly in equilibrium would, as a matter of fact, have revealed heavy deficits had the extra expenditure incurred been incorporated into the Budgets themselves instead of figuring under the head of " extraordinary expenses." During the Thiers and MacMahon Presidencies, Governments were also guilty of this practice, though to a somewhat lesser extent. The fact that French Budgets since 1893 have in so many cases shown a growing deficit is therefore partly due to the fact that the extraordinary expenses have largely been suppressed and " budgetary unity " thereby attained.

The practical difficulties in the way of effective budgetary control and the dangers besetting budgetary unity were set forth by M. Poincaré in one of his earliest speeches, when Reporter-General. Apart from defective book-keeping and deliberate attempts

to conceal the true nature of deficits by classing many items under the head of "extraordinary expenditure," the two most serious dangers arose from the fact that the estimates were usually presented to the Chamber far too late in the session, leaving a time quite inadequate for the discussion of the various proposed items of expenditure ; and that the great spending Departments were in the bad habit of leaving to the last the most important items, those which it would be practically impossible not to authorise, in many cases, even, only seeking Parliamentary sanction when the money had actually been spent. In M. Poincaré's opinion this was a most serious abuse which ought to be remedied by special legislation.

As the most effective means of ensuring economy and good financial administration he also demanded that all realised surpluses should be earmarked for the redemption of debt, according to English practice as exemplified in the sinking fund.

His preaching in this instance has scarcely met with the success it deserved ; largely, it must however be admitted, owing to the fact that very few French Budgets of the last

twenty years have shown an actual realised surplus.

During his last tenure of the Finance Ministry M. Poincaré made two remarkable speeches (on March 23rd and on April 4th, 1906) dealing with this point, wherein he reviewed the practice of the past and recorded the results which had been attained. In helping to bring about this result the President's efforts have had no small share, and one is entitled to hope that the successes he was able to claim will be permanent, that the doctrine he preached will be accepted without question, and that the days of "supplementary budgets," embodying extraordinary expenses, are things of the past.¹

But the reform of budget practice was comparatively easy in comparison with the problem of reforming the tax system. For the last twenty years the necessity for such a reform has been admitted on all hands in France, but owing to the great technical difficulties involved, and owing still more to the instability of short-lived Governments and

¹ The last two Budgets, especially the latest one, proposed by M. Caillaux after the fate of the Barthou Cabinet and still unvoted, unfortunately show a return to the worst features of financial disorder.

to the permanent hostility of the Senate, little or nothing has actually been accomplished.

The present system has three great drawbacks.

First, as M. Poincaré himself pointed out in 1894, the proportion which indirect taxation (1,400,000,000 frs.) bears to direct taxation (1,310,000,000 frs.) is too high and presses far too heavily on the poorer classes of the population, consisting as it does largely of duties on articles of prime consumption.¹

This is amply borne out by the continual complaints made in France of late years as to the increase in the cost of living, partly attributable, at all events, to the heavy import duties. The *octroi* duties are also responsible for increasing the burden to an extent which it is difficult to estimate in figures. Moreover, it is possible also that they act as a check upon industry, since they are levied upon certain raw materials, thus hampering the establishment of manufactures in towns where the *octroi* exists. Finally,

¹ In 1906 M. Caillaux estimated that the proportion was 1,600,000,000 frs. to 1,200,000,000 frs.; and in 1913 the figures were respectively 2,288,470,412 frs. of indirect taxes, 1,864,401,800 frs. of direct.

the high duties on manufactured articles hamper trade and shipping, and the reiterated complaints from the Chambers of Commerce of Marseilles, Havre, and other big ports demanding freer trade are the best proof that a reform in this direction is urgently required.

Secondly, the assessment of the direct taxes, which are mainly "apportioned" taxes, is quite out of date, and through lack of revision the assessments abound with instances of the most glaring inequalities and of the most flagrant injustice. This is universally admitted, and reform has been persistently demanded.

Last, but not least, the whole system does not possess sufficient elasticity, and fails to provide the amounts requisite to meet the ever-growing expenditure, which is due not only to the pressure of armaments, but also to the ever-growing demands of social reform, and to capital outlay on industrial and commercial development.¹

With regard to the elasticity of the French direct taxes as compared with ours the

¹ Some of it of very questionable utility, such as the redemption of the Western Railway, which has cost the State immense sums.

following figures are instructive. In 1892-3 the French direct taxes, excluding both death and stamp duties, yielded 473,000,000 francs,¹ in 1907 531,000,000 francs,² an increase of only 12 per cent during fifteen years; since then the yield has, however, increased to 641,000,000 francs.³ During the same period the yield *per penny* of the English income-tax increased from £2,240,000 to £2,700,000; in 1911-12 it yielded £2,800,000; and this despite increases in the rate which have brought the total amount raised from £16,680,000 in 1892-3 to over £39,000,000 in 1911-12, or nearly £44,000,000 including the super-tax.

There can be no doubt that more revenue is urgently needed. The problem is how to find it. For the reasons stated above an increase in indirect taxation is out of the question, the only possibility being to impose higher duties on certain articles of luxury and more stringent taxation on alcohol in all its forms. It is, however, doubtful whether the second measure, however conducive it might be to temperance, would have good results

¹ Nearly £19,000,000.

² £21,240,000.

³ £25,640,000.



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M. CAILLAUX.

financially, and M. Poincaré in 1906 expressed himself as very sceptical on this point.¹

We are therefore led to fall back upon the necessity for an increase in direct taxation ; an increase, however, which is only possible in connection with a thorough reform of the whole system, a reform by which the inequalities of the "four direct contributions" would be swept away and a new system, at once more elastic and more equable, established : the creation, in fact, if not in name, of an income-tax in France.

This financial problem is the most crucial one which modern French statesmen have to face, and upon its satisfactory solution the future of the country largely depends. What have M. Poincaré's views on this important question been, and what steps has he taken to attempt a solution of it ?

To be able to form some idea of the difficulty of the problem it is necessary to understand the main difference between the financial systems of England and France. While in this country the Chancellor of the

¹ Nevertheless, French liquor taxation is by no means so drastic as in this country, and a judicious increase would probably yield a considerable sum.

Exchequer relies mainly upon direct taxation, that is, upon the income-tax, upon death duties, and stamp duties, for his revenue: the proportion is 57·6 per cent to 42·4 per cent, a proportion which has constantly been increasing in favour of direct taxes since 1887, when it was 45·3 per cent to 54·7 per cent, the French revenue is derived to a greater extent from indirect taxation (Customs, Excise, and monopolies), 55·2 per cent to 44·8 per cent from direct taxation (the "four direct contributions," the death duties, and the various stamp duties). There are other differences to be noted; while our Customs and Excise duties are levied upon a very small number of articles, all of which, except sugar, tea, and coffee, may be classed as luxuries, and while our direct taxation is concentrated in the form of income-tax and death duties, French indirect taxation, on the other hand, is levied upon a large number of commodities, many of them articles of prime consumption, such as wheat, flour, sugar, tea, coffee, cloth, and matches; while the direct taxation is far less co-ordinated and systematised than the English income-tax.

The backbone of French direct taxation consists of the *Quatre Contributions Directes*, already mentioned, which date from the time of the Revolution. They were instituted by the Constituent Assembly, being intended as the basis of an entire reform of the whole financial system.

They are :—

1. The *Foncier non bâti*, that is to say, a tax upon land, levied, however, only upon land without any buildings upon it. This is exclusively an “apportioned” tax, i.e. the total yield of the tax is fixed, and the shares which are to be paid by the various Departments and Communes are estimated upon an arbitrary system, based mainly on the population of the various units. The total yield of this tax was fixed at £12,000,000 originally, and since then it has been raised on various occasions. As established by the Constituent it consisted of a general land-tax, but the tax upon unbuilt land was separated from the other part of the tax by the reform of 1891, and its yield reduced to £4,000,000.

2. The *Foncier bâti*, or tax upon land with buildings upon it. This is now collected as a “rated” tax, and yields about

£6,000,000, at the rate of 3·20 per cent upon the estimated letting value of the land and buildings. Thanks to the reform effected in 1891, this latter part of the tax is now a fairly equitable one, but flagrant inequalities, referred to by M. Poincaré in his speech of July, 1894, still mark the assessment of the tax upon unbuilt land ; despite the reforms introduced by him in the collection of the tax, and which have, unfortunately, in some respects remained a dead letter.

Both M. Poincaré and M. Caillaux agree in declaring that in certain Communes the *Impôt Foncier* is as much as 40 per cent of the rent, while in others it does not exceed 4 per cent.

3. The *Personnelle Mobilière*. This is a personal tax, and at its origin was levied upon the assumed income of the tax-payer, calculating according to exterior signs. It was fixed at the price of three days' labour, and was incident upon all male inhabitants of full age not being paupers. After various vicissitudes the tax was reformed and reorganised by the Law of 1832, the provisions of which still govern it in the main. As now collected it is a tax, payable by every in-

habitant of France, whether French or foreign, of full age and enjoying civil rights, provided he is not a pauper. Those paying it include spinsters of full age, widows, married women, divorced persons and minors possessed of an income of their own. It is only leviable in one place, at the real domicile of the tax-payer, and its amount is equal to three days' wages; the price varying between 50 centimes and 1.50 franc per day, according to the population of the Commune in which the "real domicile" is situated.

The *Impôt Mobilier*, or tax upon letting value, is only levied upon those already paying the *Taxe Personnelle*. It is assessed upon the value of the residence, whether actually inhabited or not, and whereas the *Personnelle* is due only once, the *Mobilier* is payable in respect of every residence possessed by the tax-payer. The law of 1831 separated the two taxes, making the *Personnelle* an "assessed" tax while the *Mobilier* remained an "apportioned" one. It is in the assessment of the *Mobilier* that the most glaring inequalities have arisen in the course of time owing to inadequate revision. The law of April, 1832, had laid

down lines upon which the assessment was to be carried out, and had provided for a five-yearly revision. The assessment was based on three factors :—

(1) One-third was calculated on the contributions due by the various Departments and Communes in 1831.

(2) One-third was calculated on the amount of the personal taxes levied at that date.

(3) The remaining third was calculated on the letting value of the properties, estimated on the evidence of enquiries which had been instituted in 1821 and 1829.

The present apportionment of the tax therefore depends (since the periodical revisions provided for were never carried out), in respect of a third part of its total yield, upon the various taxes paid by the units under the Ancien Régime, which formed the basis of the contributions payable in 1831. Such a system was not equitable even at that date ; since then the defects have become aggravated by the fact that the population of the large towns has increased, that of the smaller localities having diminished. But, despite this, the contributions due by the latter have

remained practically the same, having been decreased only where demolitions have taken place.

In one instance,¹ a Commune which in 1831 had one thousand inhabitants now has only two hundred, but continues to pay the same contribution. Moreover the Communes have been allowed considerable latitude in fixing the mode of assessment, and this latitude has resulted in the adoption of conflicting principles. In many cases Communes have used this power to exempt the poorer inhabitants almost completely. This is especially the case with towns levying *octroi* duties. These are precisely the larger ones, which fact helps to accentuate the inequalities of assessment.

Thus, in spite of the provisions of the law, the letting value, which was to be the main basis of assessment, is now only one of the elements in fixing the amount of the tax, the result being, in the words of the author of the Senate Report on M. Caillaux's income-tax project, M. Aimond, that "des inégalités choquantes" are brought about, the assessment, in his opinion, not only being unequal as between the various Communes, not only failing

¹ Quoted by M. Caillaux.

to keep pace with the increases or decreases of public wealth, but being actually badly carried out by the financial officials concerned.*

With all these disadvantages the yield of the two taxes combined is not considerable, that of the *Personnelle* being almost insignificant, some £600,000 to £700,000, while the *Mobilier* yields about £3,000,000, or about £2,500,000 more, including the *centimes additionnels* for local purposes.

(4) The Door and Window Tax. This Tax, the name of which sufficiently explains its nature, was established as an experiment in 1798, and was not intended to be permanent. But despite its temporary character it has remained in force until to-day, and though abolished in principle by M. Poincaré in 1894, it is still being collected "provisionally," pending the vote of a new tax to replace the old one. In 1832 it was organised as an "apportioned" tax; it is, however, collected at different rates according to the different class of house. Its yield has risen from £500,000 in 1830 to just over £2,000,000 in 1900, or four times as much, including the additional centimes.¹

¹ It now yields about £3,000,000.

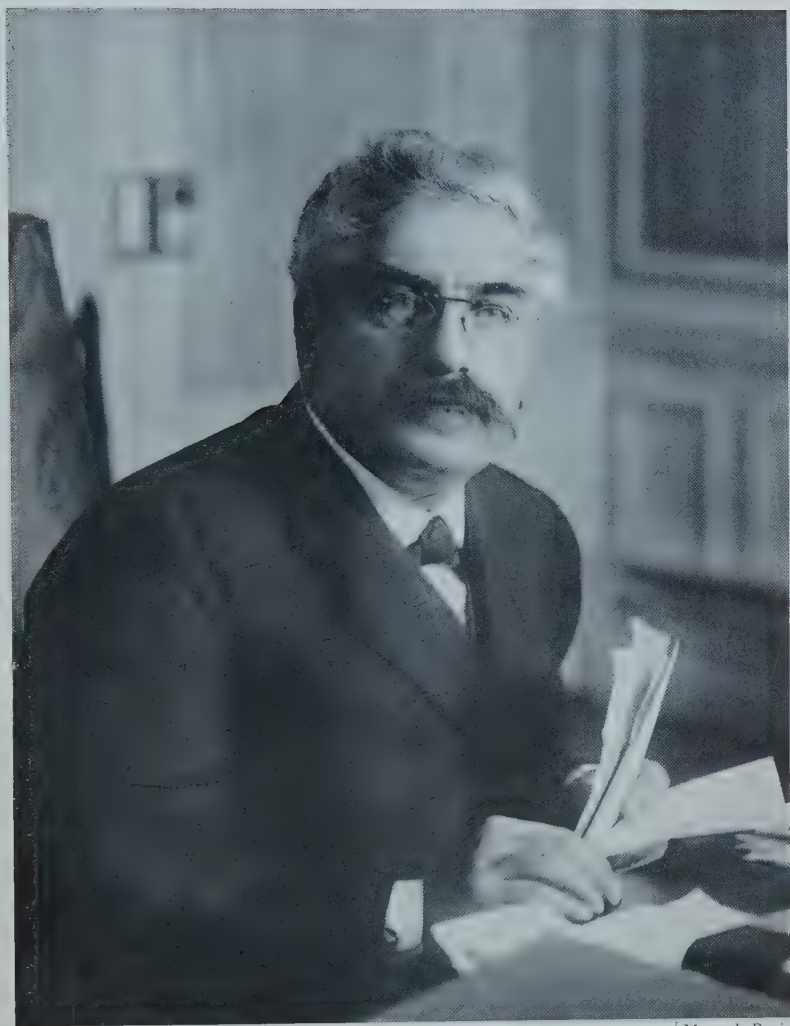


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[Manuel, Paris

M. MILLERAND.

Besides the *Quatre Contributions Directes*, and forming an adjunct to them, are the *Droit de Patente*, or the tax imposed on those carrying on business or having a profession, and the tax upon the *Valeurs Mobilières*.

The former is the only tax in France which corresponds more or less to Schedule D of the English income-tax. It was levied originally upon the estimated letting value of business premises, varying from 10 per cent to 15 per cent, according to the rent paid. It was re-organised by the Law of 1844 and by much subsequent legislation, and is now levied upon all occupations and professions which are not expressly exempted. Unlike the taxes previously considered, it is a "rated" tax. The "fixed" part of the tax is, in fact, graded and varies according to:—(1) The nature of the trade or profession, and (2) the population of the Commune in which it is carried on.

The proportional part of the tax is a certain percentage of the letting value of the trader's residence and business establishment, which varies from 2 per cent to 10 per cent, according to the nature of the profession and the letting value of the premises. It would take too long

to give a detailed description of this rather complicated system of assessment, the main object of which is to avoid any close official enquiry into the amount of the trader's profits. The assessment is, therefore, based mainly upon external signs.¹ It may also be noted in passing that the agriculturist escapes this tax, while the *Foncier non bâti* is a tax incident upon rent, not upon agricultural profits. Despite these drawbacks, however, the *Patente* possesses the great advantage of being relatively popular and fairly productive. Its yield has risen from £1,000,000 in 1830 to £5,250,000 in 1900, or over £8,000,000, if we add the additional centimes.²

Finally we come to the tax on the *Valeurs Mobilières*, the only one which in France is collected at the source. This was introduced

¹ The system of trusting to external signs results in great inequalities. Speaking in 1907, M. Caillaux gave the following examples: On the one hand, in the case of a bank, an insurance company, and a printing works, the profits of which had been disclosed, the *Patente* only amounted to 0·36, 0·80, 0·10 per cent respectively. On the other, restaurant owners and proprietors of cafés were instanced who had to pay as much as 4½ per cent and 8 per cent of their profits, while as between shops earning sensibly the same profits, the rates varied between 4 per cent and 9 per cent. M. Caillaux concluded that a reform of this tax, which presses unduly heavily on small traders, was urgently needed.

² In 1913 nearly £8,500,000 without the additional centimes.

in 1872 and fixed at 3 per cent from the yield of the shares of all industrial companies and undertakings, whether French or foreign ; but it does not fall upon the State stocks, especially upon the French *Rente*, which has been, it is said, expressly exempted from direct taxation. Its yield has risen from £1,250,000 in 1873 to a little over £3,000,000 in 1902.¹

The great defect of the *Valeurs Mobilières* is that Government stocks, not only French but foreign,² are exempted, which, besides causing a very heavy loss to the revenue, has the further and perhaps graver disadvantage of favouring this form of investment unduly, and discouraging investors from home industries, which probably stand in need of more capital.

We thus see that the six direct French taxes only yield £31,000,000 in comparison with the £44,000,000 produced by the English income-tax, including the super-tax. They reveal, moreover, especially in the case of the *Foncier non bâti* and the *Mobilier*, examples of flagrant inequality ; while the

¹ £5,700,000 in 1913.

² Since the above was written the revenue from foreign securities has been made liable to taxation.

Patente is collected by a very rough-and-ready method. It must be remembered, however, that apart from the death duties, which will be dealt with immediately, the French tax-payer is heavily burdened in the matter of stamp duties, registration fees, and taxes upon all kinds of things, whereby the French Government collected as much as £29,000,000,¹ of which amount £9,000,000 were in reality death duties. Of the remainder, over 5 millions were levied upon land sales; transfers for value ($8\frac{1}{4}$ millions), stamp duties (7 millions), and various other duties, including fees ($5\frac{1}{2}$ millions), making up the total. This is nearly four times as much as the yield of the various stamp duties in England.

This branch of the French revenue is, therefore, the most lucrative and the most elastic, having increased tenfold in ninety years, and more than doubled during the last forty years, but it is fairly certain that in many cases the rates of duty are far too high and the regulations too complicated, especially in the case of those on land transfers. In the opinion of

¹ In 1901; in 1913 just over £40,000,000. At the same date the English stamp duties yielded £10,075,475.

a high financial authority this is open to the grave objection that the duties "tend to immobilise the most important form of property, and thereby help to reduce the productive power of the country."¹

The "death duties" are the last form of direct taxation to be considered, and they have already been referred to in connection with general taxation. Whereas in England they yield £25,000,000, having increased by successive steps from £1,000,000 in 1813 to £11,000,000 in 1891, and to £15,000,000 in 1897, the French duties in 1900 only yielded £9,000,000.² In connection with these duties M. Poincaré carried through one of his chief financial reforms, a reform, however, for which he has been subjected to considerable criticism in certain quarters in France. This reform undoubtedly bears the marks of English influence, and it may be well, therefore, to consider for a moment the basis on which the English duties are levied and the changes effected within the last twenty years by the reforms of Sir William Harcourt and Mr. Lloyd George.

The English death duties originated with a

¹ Prof. Bastable's *Public Finance*. ² In 1913, £12,000,000.

5s. stamp duty on all estates over £20 in 1694. The rates were gradually increased and the *ad valorem* principle was finally reached in 1889. At that date, when Mr. Goschen introduced the first comprehensive reform, it stood at 3 per cent, small estates under £300 receiving special treatment. One noticeable feature was that the duties were not levied upon real or upon settled property. A legacy duty was first imposed in 1780, and varied according to the degree of relationship of the legatee, the maximum rate of 10 per cent being reserved for those not related to the deceased.

It was universally recognised that various defects existed in this complicated system of duties, and it was largely in order to remedy them that Sir William Harcourt brought forward his proposals in 1894. By these the probate and account duties were replaced by an all-embracing charge to be levied upon *all* property, whether real or personal ; and both were to be levied on the same basis. Finally the most original and controversial part of the scheme consisted in the introduction of the principle of aggregation, by which different duties, chargeable on different portions

of the estate, were lumped together in order to arrive at the aggregate value of the whole, on which estate, apart from succession duty, duty was assessed. This duty was a progressive one, varying from 1 per cent to 8 per cent, according to the total value on which it was levied. The introduction of this progressive principle was the most notable and the most controversial part of the scheme.¹

Despite the weighty theoretical objections which were urged against the adoption of this principle, and despite the determined opposition which it encountered from the Conservative Party, it must be admitted that the financial results of Sir William Harcourt's reforms have proved entirely satisfactory; and succeeding Conservative Chancellors of the Exchequer have shown no disposition to sacrifice such a fruitful source of revenue. From nearly £11,000,000 in 1894,

¹ The rate of duties was fixed as follows :—

Value of estate. £	Rate of duty. Per cent.
100-500	1
500-1000	2
1000-10,000	3
10,000-25,000	4
25,000-50,000	4½
50,000-75,000	5

And so on, increasing until the maximum of 8 per cent was reached for estates over £1,000,000.

the yield of these duties rose to over £21,000,000 in 1909, when Mr. Lloyd George in his famous Budget increased the rate of progression still further. Since then the yield has gone on increasing, and it amounted to over £25,000,000 for the financial year of 1912-13. It is evident that such a prolific source of revenue can only be looked upon with favour by any Government, especially in the face of the ever-growing calls upon the national purse, resulting from the increasing competition in armaments. M. Poincaré, as we shall presently see, was undoubtedly influenced by Sir William Harcourt's example, and the proposals which he made in 1895 bear traces of this influence.

Before describing the French system in detail, however, it is necessary to add a word regarding the nature of Mr. Lloyd George's reforms in 1909. Though the increases which he made in the actual rate were heavy, and though the rate of progression was accelerated, they were, in the main, only a logical outcome of the principle established by his predecessor in 1894. The most noteworthy point about these increases was that they fell chiefly on the larger estates, this feature accentuating

the progressive character of the duties. For while the rates on estates below £5000 remained unchanged, and those on estates between £5000 and £100,000 were only increased by 1 per cent in the case of smaller fortunes and 3 per cent in the case of larger ones, the rate chargeable on estates over £500,000 was increased by 5 per cent ; and that on those over £1,000,000 was nearly doubled, increasing from 8 per cent to 15 per cent. It is these heavy increases which, in the words of a competent authority,¹ "have inspired grave doubts in the minds of independent financiers and economists, whether the ultimate effect may not be prejudicial to capital accumulation and to national wealth." It is, however, as yet too soon to conclude how far these misgivings may be justified, and for our present purpose it is only necessary to note that from a purely financial point of view the result has been eminently satisfactory.

How do the French death duties compare with this system of high rates and heavy yields? We have already seen that a large part of this taxation is, in fact, collected in the form of stamp duties on transfers,

¹ Mr. Bernard Mallet.

which bear not only upon property, passing at death, but also upon transfers by sale, and gifts *inter vivos*. Apart from this there are several features in which the French system shows considerable divergence from our own; the charge upon descendants, for instance, is far more moderate than that between husband and wife, this being in logical connection with the French inheritance law. The rates chargeable varied considerably, according to the degree of relationship of the beneficiary, and in the case of total strangers the maximum rate was 11·25 per cent. The method of assessment was also different, and complaints were frequently made owing to the fact that estates were assessed on their gross value, no allowance being made for debts; also, that land was estimated at too high a figure, usually at twenty-five times the amount of its annual return.

These defects, almost universally recognised, were largely remedied by the reforms of 1901 and 1902, the progressive principle being at the same time applied to the total value of the estate itself, as apart from the degree of relationship of the beneficiary. M. Poincaré was in the main responsible for

this reform, though it was only some years after he first advocated it that the law was actually passed, and even then not under his own auspices.

In his great speech of July 12th, 1894, during his first tenure of the Finance Ministry, he stated his reasons for adopting the progressive principle in dealing with death duties, or rather the "degressive" principle, as he preferred to call it. For it should be noted that the scheme of graduation advocated by him was intended mainly to relieve small fortunes, and it was therefore degressive in the same sense as the exemptions in the English income-tax. The new duties actually voted seven years afterwards went considerably beyond his proposals in the rate of progression adopted; but the fact that he urged the need of reform so strongly is important to note, and also that he was the first French Finance Minister to adopt the progressive principle, albeit in a degressive form, in dealing with death duties. He defended its adoption on grounds which have received almost universal acceptance amongst economists, that is to say, not because he considered that the progressive principle in itself

was a sound one, it being open to the grave objection of being arbitrary in its application ; but because he maintained that the owners of small fortunes were subjected to an unduly heavy burden through indirect taxation, and that it was therefore necessary, and just, to afford them relief from the burden of direct death duties. In other words, "progressivity" was only introduced in dealing with these duties in order to ensure that "proportionality" should be attained in the tax system as a whole.

He distinctly disclaimed any socialistic aims, or any desire to impede the accumulation of large fortunes by means of a graduated tax. It should be noted in this connection that French inheritance law, by which all children are entitled to a certain minimum share of the estate, which therefore cannot pass away in its entirety at the death of the owner if there is more than one child, in itself acts as a considerable check to the accumulation of large fortunes, and that, therefore, no financial expedient to attain this end would be necessary, even if it were to be judged economically desirable. M. Poincaré based his opinion for the necessity of a thorough

reform of the duties upon two main grounds : first, the need of revising the existing mode of assessment, admittedly arbitrary and in many cases harsh ; secondly, the necessity for relieving small estates, as above stated. Such relief could only be granted by somewhat increasing the burden on the larger fortunes. This result was achieved by the reforms of 1901 and 1902, which went, however, considerably further than M. Poincaré's own proposals. He has been subjected to considerable criticism in France for having made himself responsible for the introduction of the progressive principle into the system, and many Frenchmen fear that it will be, as they think, unduly developed, as has been the case with the English death duties. So far, however, this fear has not been realised, for, except in the case of total strangers, who are very severely treated by the French law, the English rates on large fortunes remain considerably higher than the French ones.¹

¹ *French death duties.* For descendants the rate starts at 1 per cent for fortunes below £40, rising to 5 per cent for those above £2,000,000. As between husband and wife the minimum and maximum rates are respectively 3·75 and 9 per cent ; in the case of brothers and sisters 8·5 and 14 per cent ; while for more distant relatives and total strangers, they start at 10·12 to 15 per cent respectively to rise to maximum rates of 15·5, 17·5, and 20·5

Whatever theoretical objections economists may have to urge against graduated death duties, there can be no doubt that the English and French reforms have proved a financial success, as the figures quoted above show. This alone must commend them to Finance Ministers, especially in France, where the problem of raising sufficient revenue to meet ever-growing requirements has become more and more acute in recent years.

M. Poincaré himself has always been consistent in preaching economy, and by his various reforms has contributed in no small measure to further that ideal. There are certain directions, however, in which economy would be nothing less than disastrous. The President has achieved a great part of his present popularity largely owing to the fact that he is a thoroughgoing patriot. In that capacity he has always proclaimed that it is a matter of life and death for France to maintain her naval

per cent in the different cases. The French duties therefore retain their characteristic feature of treating the beneficiaries far more severely according to their degree of relationship to the deceased than according to the value of the estate, for in no case is the difference between the minimum and maximum rates greater than 5 per cent in any given class. Moreover, the estate duty or the "aggregate" amount of the property is not charged, as in England.

and military forces at the highest possible pitch of efficiency. Throughout his career he has been consistent in advocating this necessity, and it was his first important act as President to support M. Barthou in his attempt to pass the Three Years' Service Bill. But the maintenance of large and efficient armaments is, above all, a question of money, and as long as the present state of things continues, (and it is indeed difficult to say when it is likely to end), the prospects of reducing the outlay on armaments are indeed small. Moreover, France has heavy responsibilities connected with the development of her North African Empire, which she cannot shirk, and which also entail heavy expenditure.

For all these reasons it is clear that a reform of her fiscal system is a vital question for France, and the question of the establishment of an income-tax has become a burning one.

Proposals for a more or less complete reform of the present system and, in some cases, for the establishment of a general income-tax have been made by various French statesmen; by M. Ribot, by MM. Cochery and Doumer in 1896; by MM.

Peytral and Caillaux in 1900 ; by M. Rouvier in 1903, and also by M. Poincaré himself. None of these schemes, however, came to anything owing to the hostility of the Senate, and also to that of public opinion. The present project, introduced by M. Caillaux in 1907, and voted by the Chamber in 1909, has been before the Senate ever since. It has undoubtedly met with strenuous opposition in many quarters, but this may be due more perhaps to the personality of its author than to any objections in the project itself.¹

That a strong dislike and distrust of any form of general income-tax does exist in France, however, it would be idle to deny ; and this feeling constitutes the most serious obstacle to the working out of the reform, so necessary from a financial point of view.

What are the main grounds for this hostility ? They are somewhat difficult for an Englishman, after seventy years' smooth working of the income-tax, to appreciate.

¹ The weakest feature is that M. Caillaux does not actually appear to anticipate, at any rate at first, a larger revenue from his "impôt global sur le revenu," than from the existing direct taxes. Another defect is that agricultural revenues, such as those taxed in England under Schedule B, are practically exempt under the scheme. As incomes of this kind are exceedingly numerous in France this is a serious oversight, to say the least of it.

They are of several different kinds. The first, which may be called general, is a deep-seated love of privacy, even of secrecy, regarding their private financial affairs, very characteristic of most Frenchmen. A striking example of this feeling is shown by the fact that in many cases children have only the vaguest ideas of what their fathers are worth, and that, when their wills are proved, great surprises occur. This feeling, although it seems to us somewhat irrational, is undoubtedly very strong, and the idea of a "declaration" of his total income is, therefore, particularly repugnant to the average Frenchman; we may note that M. Poincaré, although favourable to the idea of an income-tax, has spoken strongly against "*la déclaration*." The opposition arising from these feelings must therefore be reckoned with as a serious factor.

Moreover, from a practical point of view, a great difficulty exists owing to the fact that book-keeping in most French businesses is much less complete than in England; also that chartered accountants are unknown, and that only limited liability companies, the number of which is considerably less than in England, are obliged to keep and publish

balance sheets, which are checked, moreover, not by accountants, but by special auditors elected *ad hoc* from amongst the shareholders. Small private firms seldom draw up elaborate balance sheets on the English principle, or value their stock with the same frequency. These easy-going habits, and the absence of reliable firms of chartered accountants, undoubtedly constitute a considerable obstacle to ascertaining accurately industrial profits similar to those taxed in England under Schedule D.

On the political score the objections are perhaps most serious. It is feared by many prominent Frenchmen that no scheme devisable would guarantee complete secrecy, and that the information obtained by the tax-collectors would in many cases, especially in small towns and rural districts, be improperly divulged and made use of to serve private political ends, and to satisfy local grudges.¹ It is difficult, if not impossible, for a foreigner to estimate how far these fears

¹ Under the present scheme, appeals against decisions of the income-tax officials would be heard by the Prefectural Council, in practice the Prefect, and much dissatisfaction is expressed with this tribunal, which is not considered free from political influences.

may be well grounded, but unfortunately certain features of French politics, and the bitterness which marks the political life of our neighbours, the prevalence of intrigue, and the constant charges of corruption would seem to prove that this fear is not entirely groundless ; it is absolutely essential that any scheme which becomes law should contain the most complete and thorough-going safeguards possible to ensure that the officials, to whom the task of estimating the tax-payer's income is entrusted, can be relied upon absolutely never to divulge this knowledge except to their superiors. This is undoubtedly a difficult task.

Thirdly, from a purely financial point of view the fear exists and is often expressed that, should an income-tax be imposed, it will be additional to the other charges which the French tax-payer already has to bear ; that it will not be accompanied by that reform, both of direct and indirect taxation, which is admittedly so necessary. This objection, if it were correct, would be sufficient in itself to condemn any scheme of income-tax ; but it can scarcely be imagined that any French Parliament would ever consent to

pass an income-tax which would be merely "additional" to the present taxes, and would be unaccompanied by any reductions in other directions, or by a reform of the existing inequalities which mark French direct taxation.

Finally there is another obstacle owing to the controversy over the taxation of the *Rente*. At first sight there would appear to be no valid reason for exempting income derived from this source, and the present scheme, introduced by M. Caillaux, does, in fact, propose to tax French fundholders just in the same way as other stock and shareholders.

But the proposal has met with most determined opposition in many quarters on the ground that, when the French Funded Debt was issued, definite legislative promises were made, exempting the creditors of the State, for all time, from any taxation on their interest. The upholders of this contention maintain, moreover, that, were it possible to violate the State's written pledge ("un engagement sacré," *Le Temps* has called it), it would be in the highest degree impolitic to do so, for the effect on French credit would be disastrous.

M. Caillaux and his supporters argue



Photo by]

[Manuel, Paris

M. BARTHOU.

against this view : First, that no precise legislative enactment granting the fundholders immunity has, in fact, ever been passed. Secondly, that, even if such an enactment existed, it would be *ultra vires* and could not bind succeeding legislatures. Thirdly, that there could be no lasting ill-effect on French credit, since incomes derived from all other kinds of securities would be equally subject to taxation and that at the same rate ; and he instances the English and German Funds, which are both subject to taxation.

It is difficult for a foreigner, and one not well versed in the intricacies of French financial legislation, to express a decided opinion on the first point, and there is clearly room for considerable divergency. As regards the second, however, M. Caillaux is unquestionably in the right from a strictly constitutional point of view ; and any such legislative provision would be as little binding on subsequent legislatures as the famous statute of Henry VII. The important point, which really remains at issue, is the financial expediency of the proposed measure ; but here the examples of England and Prussia would seem to be in M. Caillaux's favour.

To demand preferential treatment for the *Rente*, for that is what exemption amounts to, is scarcely to pay a high compliment to the credit of the Republic, which should be quite capable of holding its own against other stocks without any assistance. M. Caillaux's opponents should remember this point. There, however, remains the existence of a large body of French opinion violently hostile to the measure, and this factor undoubtedly creates a most serious obstacle to the carrying of a comprehensive income-tax scheme.

All these facts, however, taken cumulatively, undoubtedly constitute a grave obstacle to reform; and it is interesting to see that the opponents of the income-tax, not content with urging their objections against its establishment in France, have carried the war into the enemy's country and have formulated trenchant criticisms of the working of both the English and the Prussian income-taxes, the former of which is generally held up as a model for French statesmen. These criticisms, contained in M. Aimond's report—to which reference has already been made—may be classed under two heads.

In the first place, he speaks of the increasing

irritation and resentment in English business circles which is at present being roused by the ever-growing strictness and inquisitorial activity of the income-tax officials since Mr. Lloyd George passed his famous Budget.

In the second, he considers that evasions and leakages occur on a far larger scale than they should. He quotes some very interesting protests from various Chambers of Commerce and other business associations in support of his first contention ; and it is possible that his criticisms are not without a basis of truth, and that the increased activity displayed at Somerset House in this respect may prove to be a mistake, even from a purely financial point of view, as tending to create such annoyance and exasperation in business circles as will stimulate attempts at evasion on a large scale.

In support of his second contention some remarkable figures are cited, which would seem to show that many people certainly escape far more easily than they should, and, incidentally, that the revenue officials, while displaying a misplaced zeal in certain directions, are not keeping their eyes sufficiently wide open in others.

M. Aimond's criticisms are undoubtedly serious and would seem to be not entirely without foundation. It is easy, however, to exaggerate their importance and it must be remembered that no tax is perfect. The best taxes are those which are open to the fewest objections and which yield a plentiful revenue. This latter feature remains the transcendent merit of the English income-tax. Despite evasions and exemptions, its yield, as we have seen, has increased steadily and without fluctuation, and thanks to the existence of this dependable source of revenue we have been able to meet, with comparative ease, the ever-growing demands on the national purse. To French statesmen, so urgently in need of revenue, this should be a paramount consideration, and it is a tribute both to M. Poincaré's financial acuteness, and at the same time further evidence of his appreciation of English institutions, that the comprehensive project for a general income-tax, which he explained so lucidly in his great speech of July 12th, 1906, is based almost entirely on English lines.

In the President's own words, the tax he proposed was to be "an analytic tax on the

English system"; or, in other words, *un impôt cédulaire*, in which each of the different sources of income was to be taken separately, as in the schedules of the English income-tax, and treated accordingly; no total declaration was to be made, declaration being only reverted to at the option of a tax-payer, if he considered this to be in his own interest. In the course of his speech M. Poincaré again declared himself emphatically opposed to the compulsory declaration of total income and it must be remembered that he elaborated his project before Mr. Lloyd George had introduced his super-tax, which entails the compulsory declaration of income, which did not previously exist in England. It may be surmised, therefore, that M. Poincaré may not have looked upon this innovation with entire approval.

In his own scheme income was classed under the following heads:—

- A. Income derived from land built upon.
- B. Income derived from unbuilt land.
- C. Income derived from stocks and shares.
- D. Income derived from the co-operation of capital and labour, i.e. mixed revenues.
- E. Income derived from professions not

then subject to the *Patente*, from pensions, from salaries, etc.

This very closely approximates to the English system, but it differs from it in some respects.¹

Furthermore, M. Poincaré followed English procedure in making use, wherever possible, of the system of deduction at the source, undoubtedly the most effective and most economical method of collecting income-tax. In other respects also he was affected by English practice, and also by the recommendations of the English Select Committee which had recently been published. He declared himself in favour of large exemptions at the base, though in this respect he criticised the English figure of £160, which he considered far too high, and fixed his own minimum at 1600 francs for *commerçants*, 2400 francs for unmarried workmen and farmers, 3200 francs for married workmen with children. This differentiation between

¹ The English schedules are as follows :—

- A. Owners of land and houses.
- B. Farmers.
- C. Land-holders.
- D. Profits from businesses and professions
- E. Public offices.

various classes of income was a notable and original feature of the scheme. Quoting the findings of the Select Committee, M. Poincaré emphasised the necessity for a different treatment of earned and unearned incomes, and in his proposals he divided them into three classes: first, entirely unearned; second, mixed; third, entirely earned; and the rates chargeable were to be 3 per cent, 2·25 per cent, and 1·50 per cent respectively.

This arrangement, combined with the exemptions at the base, above mentioned, resulted in a progressive or a "degressive" tax, as M. Poincaré prefers to call it, which he defended on exactly the same grounds as he had done thirteen years previously, when advocating the reform of the death duties. The whole scheme was brought forward in connection with provisions for the gradual supercession of the existing direct taxes, some of which, like the *Foncier bâti* and the tax on the *Valeurs Mobilières*, were to fit in to the new system.

There can be little doubt that M. Poincaré's was the best and most comprehensive scheme of income-tax which has been presented to a French Parliament, and it is greatly to be

deplored that it had no opportunity of becoming law.

In the course of his career M. Poincaré has rendered many signal services to his country as a financier. His advocacy and example were one of the most powerful factors in causing a reform of Budget practice. He was largely instrumental in carrying out the necessary revisions in the assessment of the *Foncier bâti*. He repealed the Door and Window Tax, and it is due to no fault of his that this reform still remains a platonic one. He was the first Finance Minister to advocate a thorough reform of the death duties, and he introduced the new principle of progression in the mode of levying them. Finally his was the best scheme of income-tax which has been propounded.

These are no small services, and it is to be hoped that during his term as President some French statesman and financier may be forthcoming to complete his task and to provide France with the comprehensive and equitable system of direct taxation of which she stands in so much need.

THE ENGLISH AND FR

ENGLISH.

DIRECT TAXES.

Income Tax and Supertax	£ 44,806,000
Inhabited House Duty	2,000,000
Land Tax	700,000
Stamp Duties	10,059,000
Death Duties	25,248,000
Miscellaneous (Suez Canal, Crown Lands, etc.) .	5,329,000

Total Direct Taxes . £88,142,000

INDIRECT TAXES.

Alcohol and Tobacco (including liquor licences)	£ 58,786,403
Tea, sugar, etc.	10,294,514
Miscellaneous	2,500,265

Total Indirect £71,581,182

POST OFFICE RECEIPTS 29,175,000

Grand Total £188,898,000

¹ *i.e.* Foncier bâti ; foncier non bâti ;

VII

FOREIGN POLICY AND THE *ENTENTE* *CORDIALE*

M. POINCARÉ'S election to the French Presidency came at a decisive stage in the development of Anglo-French relations. The *entente cordiale* sprang from the necessity for settling various points at issue between the two countries, which though secondary in themselves, had been a constant source of friction, and therefore constituted a possible danger to European peace. These questions were in the main colonial and the Anglo-French Agreement of 1904 only contemplated their settlement, and was not framed for any other immediate purpose. But it was destined to develop rapidly into something far wider, into an understanding between the two countries, which has proved to be the dominating factor of European politics during the last eight years.

Complaints have often been made in Germany, if not officially, at least through the

medium of the Press that the *entente* has been aimed at herself, implying further that such an attitude is undeserved and unprovoked. Those Germans who maintain this, however, must have forgotten the Delcassé incident of 1905, and the Algeçiras conference which succeeded it, when the Anglo-French *entente* first began to show itself as a factor to be reckoned with in international politics.

There will probably always remain considerable doubt as to the reasons which led to Germany's action in 1905, and as to the justification which she may have had; there can, however, be little question as to the effect it produced. The reasons that led the German Foreign Office to demand M. Delcassé's resignation can only be surmised; the effect of this inopportune display of the "Mailed Fist," however, soon became apparent and the ultimate consequences were destined to be far-reaching. Compliance with the demands of Germany was followed by the Algeçiras conference, in which that country did all in her power to prevent France from occupying Morocco, or from declaring a protectorate over that country. In these

objects she was to a certain extent successful, and the consequence was to defer the establishment of law and order in Morocco for many years. But any disadvantages which France may have suffered in this respect were more than compensated for by the energetic and uncompromising support which England, loyal to her engagements, gave her neighbour across the Channel. Germany, when she complains of the existence of the *entente* and of the fact that it is in a sense directed against herself, should remember that its development was largely due to her own action, to the mistaken policy which she adopted with such poor results to herself in 1905, and which she persisted in during the subsequent eight years, from the Anglo-French Convention of 1904 to the signature of the Franco-German Treaty of 1911, during which period the Moroccan question dominated European politics.

During the whole of this time the German Foreign Office adhered to the same line of action, and continued to commit the same mistakes. Long after a settlement of some sort had been reached at Algeçiras, Franco-German relations remained strained. In 1908

the tension again threatened to become acute, and the Casa Blanca incident gave rise to the gravest anxiety. In 1911 the Agadir *coup* was within an ace of provoking a rupture, which would inevitably have plunged all Europe into war. In 1905 such a calamity was only averted because the French Army was notoriously unprepared, and because France, still in the throes of a bitter political conflict over the Separation Law, and not yet recovered from the undermining and disheartening influence of the Dreyfus affair, was in no mood to face the risks of war. Germany realised this, and her action was consequently crowned with success.

But the bitter humiliation which resulted left a deep impression upon the rising generation in France; and one of the strongest reasons for M. Poincaré's success in 1911 can be traced directly to the events of 1905. Only six years later the temper of the French people had already undergone a remarkable change, and the fact that war was averted then was due to two reasons. First and foremost it is probable that, as in 1905, Germany did not really intend to push matters to extremes and did not really wish

to risk a war ; secondly, the support which France again received from England was as prompt and energetic as the circumstances demanded. Our action certainly came as a surprise to the forward party in Berlin, and served to avert war. Once again, as was shown by the bitter debates in the Reichstag over the ratification of the Franco-German Treaty, Germany had failed in her main object. She had failed, that is to say, to prevent France from occupying Morocco and to weaken the Anglo-French *entente*. In fact, the only direct result of the Agadir policy was to hasten that which it had aimed at preventing ; and it was due entirely to the pusillanimity, if nothing worse, of the Caillaux Cabinet that Germany was able to make such good terms with France as she did, and to obtain considerable portions of the French Congo in return for acquiescing in the establishment of a French protectorate in Morocco.

M. Poincaré's accession to power was largely due to the effects of the Agadir crisis. The country as a whole was thoroughly disgusted with the revelations regarding M. Caillaux's

ambiguous policy. Moreover, the change which French opinion and temper had undergone in the past seven years was remarkable. In 1905 it is probable that such a bargain as he made would have been greeted with pleasure, and would have been accepted as a diplomatic triumph for France. In 1911 it was regarded as a bitter and unwarranted humiliation that she should have to purchase Germany's consent to the occupation of Morocco upon any terms, however favourable in themselves. M. Poincaré voiced this feeling, and his popularity was in a great measure due to the line that he took up. But at the same time, while determined to maintain his country's dignity abroad, and to submit to no dictation from outside, the President has always shown himself resolute to maintain peace, and ready to make all necessary sacrifices to maintain it compatible with national interest and national honour. His action in voting for the ratification of the Franco-German treaty, his subsequent conduct of the Franco-Spanish negotiations respecting Morocco, and finally his whole attitude during the Balkan crisis are a sufficient proof of this.

The *entente* itself was, like the relations between France and Germany during the last eight years, governed mainly by the Moroccan question. That question is now happily settled. France has a difficult task to accomplish, a task which may give her many anxious moments, which may even lead to some friction with her neighbour on the other side of the Pyrenees, though in this case also, the conclusion of the Anglo-Spanish treaty and M. Poincaré's recent visit to Madrid have removed the chief causes of misunderstanding. In any event, however, the main lines of the Moroccan settlement have been definitely laid down, and it is unthinkable that they should ever be changed, or that Germany should seek to raise the question again. What therefore will be the result on the future of Franco-German relations, and on the *entente cordiale*?

Will the relations between the two great continental rivals tend to become more friendly, and will the *entente* become less close?

It is already possible to answer the first of these questions, and happily to answer it in the affirmative; already a much better

feeling exists between France and Germany than in 1911. The events of the past eighteen months, and Germany's attitude during the Balkan crisis are evidence of this. The second is far more difficult to answer, and involves a certain amount of prophecy. Though one of the immediate causes of the maintenance of the *entente* has, with the settlement of the Moroccan question and with the consequent amelioration in Franco-German relations been removed, the deeper grounds for its essential utility remain unchanged, and its maintenance as the corner-stone of British foreign policy remains essential.

Our policy since 1904 of an understanding with France, which has become ever closer, and aimed to a certain extent, in fact, if not in intention, at Germany, has often been regarded as a revolutionary step. Since the settlement of the Moroccan question, there are not wanting those who have demanded a return to our traditional policy, as they describe it, by which they mean a close understanding with Germany. These critics, however, who maintain that because we have in the past been friends and allies of Germany, or to speak more correctly



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M. DELCASSÉ.

of Prussia, and that this is a sufficient reason for a return to this policy in the future, show a singularly superficial knowledge of modern European history. They seem incapable of realising that conditions have changed and that the causes which govern European equilibrium are no longer what they were formerly.

Any close student of British foreign policy since the accession of Elizabeth, when this country first began to be a great power, must realise that our constant object, the aim which has inspired our foreign policy with scarcely an interruption, has been to prevent any one European nation from becoming too powerful, from obtaining such a position of ascendancy in Europe as to menace our own power. This aim, consciously or unconsciously, led us to oppose Spain under Elizabeth and under Cromwell, even leading us to ally ourselves with France. It was this same purpose which led to the prolonged struggle against Louis XIV, which formed the life-object of William, and was continued by his successor. To achieve our aims we united nearly the whole of Europe in the series of coalitions

against France, until Louis XIV was forced to relinquish his projects upon Belgium, and his designs upon the left bank of the Rhine.

Throughout the eighteenth century we continued to wage war upon our neighbour, for though far weaker than in the previous reign, she was still the strongest power in Europe: moreover, she menaced our rising colonial power in America and in India.

The long and bitter struggle which we maintained, first against the Republic, and subsequently against Napoleon, was only a repetition on a far larger scale of our struggles against Louis XIV. The underlying causes were the same. We were determined to prevent France from attaining a position of dangerous preponderance in Europe, and we were especially determined to prevent her from becoming mistress of Antwerp. Thanks to our insular position and to our unrivalled sea power, thanks also in a great degree to the constant assistance of Austria and Russia, we were entirely successful in finally achieving our object; and Waterloo put an end for long to the danger of Belgium becoming French.

The fear which Napoleon had inspired was destined, however, to outlast him, and antagonism to France had become second nature. Long after the causes had disappeared, from the close of the Congress of Vienna to the signature of the treaty of Frankfurt, fear and distrust of France still dominated our foreign policy. During the reign of Louis Philippe it was rekindled by the designs of France upon Egypt ; during the Second Empire it was only natural that Napoleon's antecedents and the fact that he was suspected of wishing to tear up the Treaties of Vienna should have roused English suspicions.

But this traditional distrust was to lead us to commit the greatest mistake in foreign policy we have committed since Charles made himself responsible for the second Dutch War. By it Prussia was allowed to reap unhindered all the fruits of Bismarck's policy, of his skilful and unscrupulous diplomacy, of Roon's talent for organisation, and of Moltke's military genius, and to lay the foundations of the German power, which is now the dominating feature of Europe, and which faces us at every turn.

There can be little doubt but that if France

had been successful in 1870, and had been in a position to dictate terms at Berlin, we should have done all in our power to prevent her from annexing the left bank of the Rhine. But we looked on unconcerned while Prussia seized Alsace-Lorraine and by proclaiming the Empire at Versailles altered the balance of power in Europe as it had not been altered since the Republic occupied Belgium in 1793. The Liberal Government, which either from misplaced devotion to peace, or from sheer blindness to the consequences, allowed this to take place must bear a heavy weight of blame ; and it is due to our proverbial good luck that we have not had greater cause to repent of Gladstone's mistake in 1871. But the fault was not his alone. Long after the close of the war, and despite the weakness of France, we continued to distrust her ; and though Disraeli denounced the error which Gladstone had committed, he did nothing to remedy it himself. His inordinate fear of Russia, and his unfortunate flutter in Turks at the Congress of Berlin, led him to adopt a pro-German policy, which made any effective *rapprochement* with France impossible. Many causes of

friction, moreover, still continued to exist between France and ourselves; and Bismarck, by his skill in urging her to occupy Tunis and to adopt a forward colonial policy in North Africa, was successful in keeping them alive and even intensifying them. The success of his policy was shown by the Fashoda crisis of 1898; and it was only M. Delcassé's coolness and good sense that not only averted the calamity of an Anglo-French war, but sowed the seeds of the future *entente* which was destined to be born in 1904 and to undergo its baptism of fire at Algeçiras.

If therefore we find ourselves opposed to Germany and to German expansion at the present time, we are only pursuing our traditional policy, a policy which is almost inevitable. Germany is to-day the only power which occupies a dominating position in Europe; the only power whose dreams of expansion may one day threaten England. She occupies towards us the same position as France occupied in Europe under Louis XIV and under Napoleon; for this reason alone we are almost bound to find ourselves opposed to her. It is indeed true that

our rivalry in this case is not complicated, as it was with France, by race hatred between the two peoples; it is true that bonds of kinship, although remote ones, do exist between us; there is probably more in common between Englishmen and Germans, than between ourselves and the French. But it is easy to attribute too much importance to this. Those who bring it forward as a sufficient reason for denying Anglo-German rivalry seem to forget that blood ties have never availed to prevent wars between rival nations. Sufficient evidence of this is shown by the long and bitter struggles between Prussia and Saxony, between Prussia and Austria, and by many other examples. Moreover, the complete revolution in Franco-British relations proves conclusively how rapidly the feelings of two nations can change towards one another to-day, and how the hatred of centuries can be forgotten in a few years. Who can say the opposite is not equally possible?

The most potent causes of international struggles have always been economic and geographic; though it would be idle to deny that racial and religious antagonism have also

been decisive factors in causing many wars. But in the present instance the underlying questions at issue between the two countries are too numerous and too important for mere racial affinities to counteract them: racial affinities, moreover, which do not appear just now to be very strongly in evidence. It is undeniable that Germany to-day is our rival in almost every field and challenges our supremacy at every turn. Setting aside the United States of America, whose industrial growth has been due almost exclusively to her unparalleled natural advantages, Germany is our only serious competitor in the field of the world's commerce; and her competition is felt in products in which we have hitherto had a monopoly, and in markets where we have hitherto been supreme. She is forced by her rapidly increasing population, which can only be accommodated at home with increasing difficulty, to seek new fields for expansion, in other words, to found colonies. Unfortunately for her, however, all the best lands have long been occupied, and German experiences in colonisation have so far been unfortunate. It is therefore almost inevitable

that the necessity which she is under in this respect should bring her into collision with us, or with France, sooner or later.

The growth of the German mercantile marine has been one of the most remarkable features of the last thirty years, and every praise is due to Germany for her magnificent efforts in this respect and for the way in which she has made use of very slender natural advantages. But here again she has not sufficient room to develop. Hamburg and Bremen will not always suffice for her mercantile marine, and Rotterdam, the natural outlet for German commerce, is a seaport on which she cannot but look with longing eyes. In addition to this we must also remember that Germany's position in Europe, devoid of natural frontiers and surrounded on every side by powerful neighbours, is in itself a menace to European peace. Because of this position the army has always occupied a preponderating place in German life, and where the army counts for so much, it must constitute a menace to peace. Moreover, despite the undoubted peaceableness at the present time of the German middle-class parties, who realise perfectly well that war would be an immense risk, the existence of a

strong military party, eager for war, at least with France, must not be forgotten. And the recent incidents at Saverne, with their astonishing sequels, have furnished startling proof of the power which this element possesses in Germany compared with civilian politicians. As long as Alsace-Lorraine is still treated as "an enemy's country," there can be no permanent guarantee for European peace. It is not to be forgotten also that Germany is Austria's closest ally, and Austrian policy in the Balkans and her methods of pursuing it are the most serious immediate danger to European peace to-day. It is true that Germany has exercised and continues to exercise a moderating influence on her neighbour; and her action throughout the recent crisis is proof of this; but she remains nevertheless bound to her by the closest treaty obligations. In the event of war, Austria can always count upon the support of the German army. This alone is a danger to the anti-peace mania in Europe.

All these considerations are so patent and so elementary that one is almost ashamed of dwelling upon them at any length. Yet at a time when the utility of the *entente* is beginning

to be questioned in England, when an Anglo-German *rapprochement* is being urged, it is essential to recall commonplace facts, even at the risk of being obvious.

Should the calamity of a European war ever occur, England must inevitably be ranged in the opposite camp to Germany. For us it is a question of life and death. Just as we opposed, at all costs, the French acquisition of Antwerp and of Malta, we are bound to prevent Germany from occupying Rotterdam or Trieste; and there can be little doubt but that, in the event of a European cataclysm, these would be amongst her ultimate aims. The Pan-German ideal is in abeyance at the present time, and constitutes no immediate danger; but in foreign policy it is essential to look far ahead and to act accordingly. We must consider not merely Germany's immediate policy, but her ultimate aims; the directions in which her geographical position, her rapidly increasing population, her commercial expansion, and her alliances will lead her. When these are realised, the absolute necessity of maintaining a close understanding with France becomes apparent: France being the only

Continental power capable of counterbalancing Germany. It is, in fact, the old problem of the balance of power. At the present time Germany is undoubtedly in favour of peace. She needs it in order that her commercial and industrial expansion may proceed unchecked, that her present naval policy may have time to bear its full fruit. But when that moment arrives we must be prepared, and for these reasons the maintenance of the *entente* is imperative.

Splendid isolation, except for America, is a thing of the past, and no nation can stand entirely by itself to-day : not even England, least of all France. If we do not side with her, she will be forced in sheer self-defence to make a bargain with Germany, and such a bargain can only be made at our expense. The day when we are blind enough to allow a Franco-German *rapprochement* to take place, which will almost inevitably be aimed at our supremacy, which will include among its objects a German Rotterdam and a French Antwerp, a French Egypt and a German South Africa, that day will be the most disastrous in English history. Our only hope of averting such a contingency lies in maintaining and in strengthening the *entente*,

thereby maintaining the balance of power, which has preserved European peace during the last year and has enabled the Powers to limit the war to the Balkans.

It may be urged that the existence of the *entente cordiale*, and of its necessary complement, the Triple Entente, implies the division of Europe into two great armed camps, mutually hostile, in itself constituting the gravest danger to the maintenance of peace. This is, in a sense, true. The armed peace under which we live at present, the gigantic expenditure upon armaments, and the ever-growing competition which takes place in them, is an evil deeply to be deplored. But it would be the most disastrous error to imagine that these evils are likely to be remedied by our attempting to enter into closer relations with Germany, an attempt which could only result in weakening the *entente* and in disturbing the existing equilibrium of forces.

Europe is in truth divided into two groups. But at least they are so equal in strength that both sides are alike afraid of war, and ready to do anything to avert it. If this equilibrium were to be disturbed, the result could only be dangerous to peace. By any rearrangement of

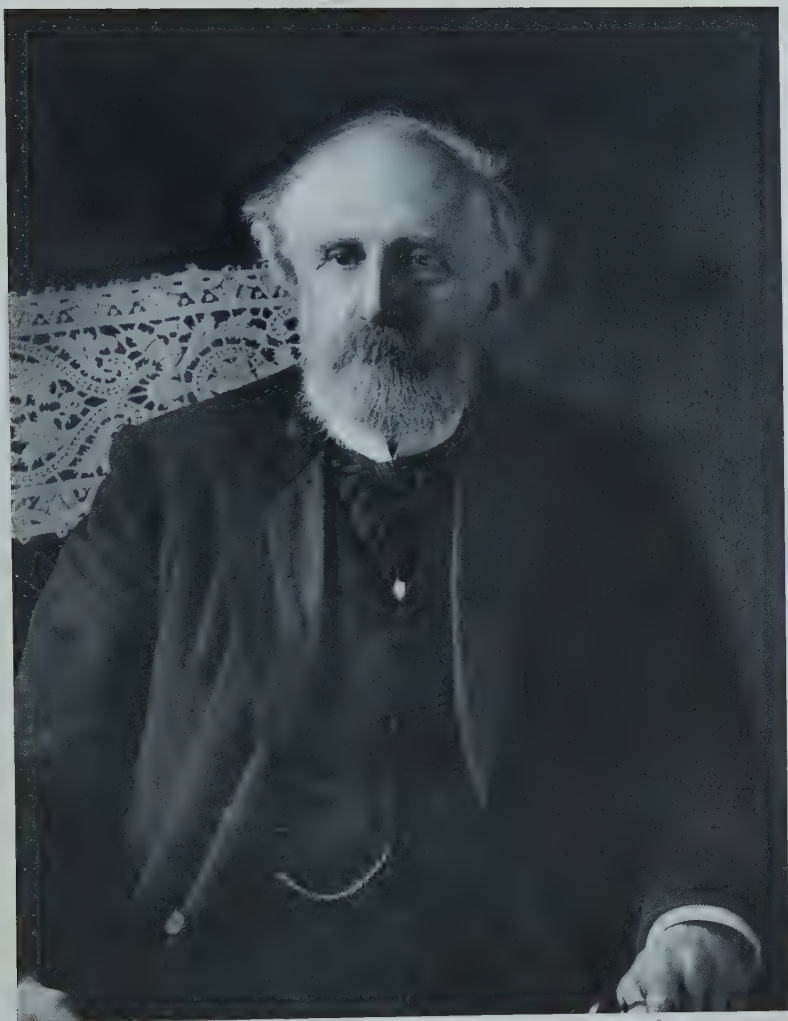


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M. RIBOT.

the present balance, one side must inevitably benefit; its fear of defeat in the event of war would thereby be diminished and the risk of war consequently increased. This is what we should strive to avert by maintaining the *entente*.

M. Poincaré is one of those who realise this most clearly; he knows that the surest guarantee of peace is that each country should be well armed and well prepared, secure in the strength of her military forces at home, and in the strength of her allies abroad: as long as this is the case no one will risk attacking her.

For these reasons he has always been consistent in his demands for the necessary military and naval expenditure, for maintaining the armed forces of his country at the highest pitch of strength and efficiency, however great the sacrifice which this exacted from the nation.

At a time when patriotism was at a very low ebb in France, when anti-militarism and international humanitarianism were the fashion, he remained consistent in proclaiming the need of a strong navy and army. He has been accused of chauvinism and of reactionary tendencies on this account.

More recently he has shown the absolute necessity for replying to the increase in the German army by adopting three years' service in France, however great the sacrifice it entails; and his election to the Presidency was a ratification of this policy. He was always one of the staunchest supporters of the Russian alliance, and he has shown that he appreciates the *entente* at its true value. We should therefore be most thankful that such a man is now President; that he probably exercises more influence in his own country, especially as regards foreign policy, than did any of his predecessors. His tenure of the Elysée is one of the surest guarantees that the *entente* will be maintained and strengthened, to the consequent benefit of the world's peace.

The crowds who welcomed him so cordially on his visit to London last year perhaps had some unconscious instinct of this, and it helps to account for this welcome. The enthusiasm of the Paris crowds, when the English sovereigns returned his visit, is a proof of the high value which Frenchmen of all opinions set upon the *entente*, and how deeply they desire its continuance.

VIII

POLITICAL THEORIES

M. Poincaré as a Political Philosopher and a Critic of
Parliamentary Institutions in France

IN his artistic and intellectual tastes the President, as I have endeavoured to show, displays a certain tinge of sane and wholesome Conservatism, characteristic of the class to which he belongs. In his political ideas also this tendency can be traced. And though he has always spoken and acted as a convinced democrat, it must be remembered that democratic professions of faith and enthusiasm for the principles of '89 are compatible in France with a considerable degree of the spirit of practical Conservatism, besides being a virtual necessity for all political men, who do not pose either as clerical reactionaries or as revolutionary syndicalists.

Moreover, what is regarded as Conservatism is largely a matter of taste and fashion, changing considerably with the times.

Macaulay, a typical figure of historic Liberalism, is now regarded by many English Radicals as little better than a Tory ; to a modern Socialist, individualists of the Manchester school are anathema, almost worse than Tariff Reformers ; while Taine, a convinced freethinker, both in religion and politics, and a thorough Liberal, is now denounced by many French Radicals as a horrid reactionary !

Both these political thinkers were worthy representatives of nineteenth-century Liberalism, and the President, who carries on this tradition, owes not a little to their teaching. He has quoted with approval Macaulay's eulogies of the Party System ; while he has always upheld the importance of individual liberty and the freedom of association, which are among the most essential of the doctrines Taine preached. In fact, the President is a worthy descendant of the great nineteenth-century Liberals, who now come in for so much criticism. The main principles of their creed lay in insisting upon the all-importance of individual liberty and private initiative ; in affirming that most fertile efforts spring from below, not from

above ; that the State exists for the purpose of safeguarding the liberties of its various members and seeing that fair play is maintained between them ; and that its proper function is not to act as a combination of parent, schoolmaster, and capitalist *entrepreneur* : laying down for each individual the lines on which he should work ; providing him if necessary with capital, and finally taking charge of him when he is past work : apparently the ideal of so many modern social reformers.

As M. Poincaré has aptly put it, "The State as a whole is the component of the various members who make it up ; it is not a homogeneous metaphysical unity." In other words, the citizens of a State are essentially members of a body which is, in fact, if not from a strictly historical point of view, a co-operative one. They resemble the members of a club, rather than the cells of a living organism. It is this difference concerning the nature of the State that lies at the bottom of the antagonism between all real Liberals on the one hand, and Socialists on the other ; and to-day it is unfortunately the case that far too many who describe

themselves as belonging to the former category are in fact little better than Socialists in disguise ; sometimes without themselves being aware of it, at other times purposely disguising their true identity. On the other hand, too many men of ordinary common sense and middle-class traditions, who, fifty or even thirty years ago, would have called themselves Liberals, now, through a natural abhorrence of collective fallacies, plunge into the other extreme, become reactionaries, and are warm in their praise of the " good old times."

M. Poincaré has always avoided both extremes ; thanks to his innate common sense, to his moderation, and to his exceptional capacity for thinking clearly, he has always been a worthy representative of that moderate group of opinion, forming the Centre Party, which should be the ideal one in every State, but which is too often, alas, crushed between the upper and nether millstones of ignorant reaction on the one hand, and unscrupulous democracy on the other.

But while essentially moderate in his Liberalism, with a firm belief in the usefulness of individual effort and individual initiative, and therefore suspicious of too much State

interference, the President has never denied the necessity for certain social reforms. He believes and has voted for provision against sickness and old age, but he holds that such provision should not be made by the State alone, but that the worker should also contribute his share.¹

Furthermore, he has always urged that such reforms as far as possible be carried through by making use of voluntary associations already existing and due to private initiative. He greatly believes in the efficacy of such bodies, and holds, in common with Taine, that French Legislation since the Revolution has been far too jealous of the formation of private corporate bodies, and has placed far too many obstacles in their way. This jealousy is not unconnected with the powerful centralising tendency of the French State, which has proceeded unchecked since the time of Richelieu, and which was strengthened and hastened by the Jacobins, and especially by Napoleon. M. Poincaré, in common with many other French thinkers, holds that it has

¹ It is interesting to note that the French insurance law remains to all intents and purposes a dead letter owing to its unpopularity with the persons in whose interests it was passed.

proceeded considerably too far, and that the decentralisation, the reawakening of public life in the Provinces, and the giving of more power and political responsibility to the Departments and Municipalities are amongst the necessities of modern France.

His leading ideas in politics have always been clear and definite, and he has shown the greatest consistency in advocating them. They are actuated mainly by a realisation of the shortcomings in the working of the system and by a desire to remedy its defects.

He has always shown a great belief in the theory of the "séparation des pouvoirs"; that theory which was supposed by Montesquieu and by so many other eighteenth-century thinkers to be the most characteristic feature of the British Constitution; and which exercised a great influence on the framers of the American Constitution, and upon the members of the Constituent Assembly when drawing up the French Constitution of 1791. It is scarcely necessary to point out, however, that this idea is by no means entirely correct, that it is apt to give a false impression of the essential fabric of our Constitution.

It is true that, in theory at least, the legislative and executive functions have always been strictly separated in England ; it is true that the right of the Executive to interfere with the Legislature and to control legislation, was the main point at issue in the constitutional struggles of the seventeenth century, and that the Legislature finally gained a complete victory over the Executive, at least to all appearances. But it would be a mistake to suppose that the outcome of the struggle resulted in a clean-cut separation between the executive and legislative portions of the English Government. The House of Commons had indeed been successful in vindicating its claim to the exclusive right to make laws, and had further established that certain acts of government should only be carried through with its consent and approval. But, on the other hand, it by no means renounced the right to criticise the Executive, which has remained one of its most important functions ; and owing to the fact that Ministers in fact, if not by legal necessity, have always been members of one of the two Houses of Parliament, the English Legislature has always been in a position to exercise a powerful and often a

determinating influence upon the proceedings of the Government. The entire Parliamentary history of the eighteenth century was, in fact, taken up with the struggle to ensure that the executive and the legislative branches of the Government should always act in harmony. The allied doctrines of Ministerial responsibility and Cabinet solidarity arose from this need, and their acceptance ensured its fulfilment. Under such a form of Government it cannot be said with any great truth that the "separation of powers" is a distinctive feature.

We must also observe that not only was the House of Commons in a position to control the executive acts of the Government, but the latter was in its turn able to exercise no small pressure upon the Legislature, and to determine in many cases the lines which its activity would take. During the eighteenth century this result was achieved largely by corruption, and by other undue forms of influence, methods which were doubtless both cumbersome and undesirable, but which nevertheless proved fairly effective in their way. Subsequently the influence of the Executive declined ; corruption became un-

popular, and after the passage of the Reform Bill impossible ; this resulted in weakening the influence of the Cabinet over the House of Commons, whilst leaving the latter's powers of criticism impaired. The House continued to exercise them most effectively, and this period, especially between the first and second Reform Bills, was in many ways the golden age of English Parliamentary history. It is the working of the British Constitution under these conditions that Bagehot described, and to which his eulogies apply.

Since then a further change has taken place. The solidarity of the Cabinet and the discipline of both political parties have become stricter and more binding, which has tended to increase the influence of the Ministry and to lessen the critical powers of the House. Moreover, the time of that body is now so fully occupied with various legislative projects, that the Government is forced in self-defence to monopolise a great deal of it for passing its own legislative measures and for getting through the necessary routine work. This also helps to increase its power, the House being so fully occupied that it has far less time to criticise the Ministry.

In fact, sympathetic observers of the English system like Mr. Sydney Low, and violent critics of Parliamentary institutions like Mr. Belloc, both agree in noting the greatly increased influence of the Executive, and its power to control and to direct the proceedings of the Legislature. It is therefore less true to-day than it ever was that "the separation of powers" is a distinctive feature of British institutions.

In one respect, however, it may be claimed that this is the case. The functions of Government consist of three main divisions: the Executive, the Legislative, and the Judicial; each of these three functions being in theory completely separate, and clearly defined. And it has long been a political axiom that this separation should be as complete as possible. We have seen that it was supposed to be the great merit of our institutions that this was the case, and it was upon this idea that the American Constitution was framed. The theory was erroneous, in so far as it applied to the relations of the Executive and the Legislature, but it was well founded with respect to the Judiciary. It can be said with little fear of contradiction

that the English Bench has, since the Revolution, remained freer, at least ostensibly, from Executive influence and pressure than the Judiciary of any other modern State. This is undoubtedly an admirable feature of our institutions, and, in so far as "the separation of powers" implies the independence of the Judicial Bench, it is an ideal which should be aimed at.

It may be in this sense that the President understands the phrase. From the defects which have characterised it in the past, the French Magistracy to-day is not entirely free. Political influence and Executive pressure, its position and relations to the Government constitute a problem not without seriousness in modern France. The revelations in the Cail-
laux-Rochette scandal have shown all too clearly how justified were M. Poincaré's criticisms of the working of French institutions. To what extent, however, has he not perhaps been led astray by a conception of the nature of the British Constitution which is not entirely correct?

One of his chief complaints against the working of Parliamentary institutions in France is that the Legislature shows an

increasing tendency to interfere in the acts of the Executive ; and by its hostile attitude and often ill-advised attacks to prevent the establishment of strong and stable administrations, which he considers so necessary. In formulating this criticism he seems to imply that the Legislature in an ideal Parliamentary Constitution would never in any way interfere with the actions of the Executive, but would adhere strictly to the function of making laws. Such a theory would not, however, be supported by the facts of Parliamentary history, and one of the chief merits of our own system has, on the contrary, been that the House of Commons always showed itself jealous of its functions as critic and controller of the Government in its executive capacity. It is only quite lately that it has begun to abdicate these functions to any appreciable extent.

But while admitting the truth of this, it may be granted that the Legislative Assemblies of the Third Republic have laid themselves open to M. Poincaré's strictures on the score that their frequent attempts to criticise and to interfere with the actions of the Executive have, in most instances, done more harm than

good ; that their action in this respect has not always been guided by the spirit which should direct a Legislature in its relations with the Executive; and above all that their readiness to criticise and to overthrow Cabinets on the smallest provocation has hindered the formation of stable and enduring Governments, with well-defined policies inspired by a common aim. Finally it must not be forgotten that French Cabinets, owing to the absence of large, well-defined parties subject to strong party discipline, can never count upon a stable majority in the Chamber in any way akin to that enjoyed by most English administrations as a matter of course.

In these circumstances they are far more liable to pressure from the various groups, who are tempted to overthrow Governments on the slightest pretext. The extent to which members of all French Legislatures have yielded to their temptations in this respect is notorious, and has had the worst effect on governmental authority and continuity of policy.

Observing these facts, M. Poincaré has doubtless been led to believe that legislative interference as such is generally undesirable,

and that the "separation of powers" is an advantage.

In what ways does the President complain more especially of the interference of the French Chamber? His chief criticisms relate to the abuse of interpellations and to the waste of money resulting from the right of individual members to propose amendments to the Budget. In these criticisms it is probable that he is largely justified. The right of interpellation, which does not exist in England, is something between moving the adjournment of the House and asking a Minister a question; it is less cumbersome than the former and far more effective than the latter, and it constitutes in many ways an excellent method of criticising and checking the actions of the Government. It might with advantage be introduced into English Parliamentary procedure, the present tendency of which is unfortunately to render effective criticism of the Government by private members increasingly difficult. But on the other hand, the right of interpellation is unquestionably liable to great abuse. When indulged in frequently and on insufficient grounds it irritates Ministers and

wastes valuable Parliamentary time, without achieving any definite object. It is against such abuses of a right, valuable in itself, that M. Poincaré has protested, and in this connection it is worthy of note that he has carried his own doctrine into practice, and that he has never availed himself of the right.

On the ground of extravagance his strictures are clearly justified. He has every reason to complain of the fact that individual Members of Parliament in France are allowed not only to propose amendments to the Budget, but even to propound new financial schemes involving the possibility of heavy expenditure, in the course of the debate itself. These proposals, moreover, are often brought forward at the close of the session, when the House is more or less weary and it is essential that the debates shall be curtailed in order that the Budget may be voted in time. This means that schemes are voted after entirely inadequate discussion.¹ Furthermore, such proposals are often introduced mainly for electoral reasons; the money, after it has been voted, being spent on local improvements, or in other ways

¹ See also remarks on Budget Control, pp. 55-7.

likely to increase the popularity of the member who has brought the scheme forward. In these circumstances his colleagues are often reluctant to vote against such proposals, because they are afraid such a step will make them unpopular in their constituencies.

The drawbacks of such a system are too obvious to need comment, and the English method by which all Money Bills must be introduced by the Government is undoubtedly a check upon irresponsible proposals. In this respect M. Poincaré is undoubtedly right in holding up our method as an example to be followed. But in this connection it is unfortunately too true that the increasing lavishness of recent English Governments and the growing disregard for economy which is shown by nearly all Government departments is tending to render this check far less valuable and far less effective than it used to be. This, however, in no way detracts from the soundness of the President's strictures on the French system.

Another of his main criticisms is directed against the increasing tendency which French politicians have shown during the last forty years to become members of a professional

class. He considers that this is due to two main causes. In the first place, to the ever-increasing length of Parliamentary sessions, which take up so much of a member's time that he has neither the necessary energy nor the necessary leisure to attend to anything else but the business of politics; in the second, to the growing reluctance which men of independent position and independent views have shown to take part in political life, thus leaving the field in undisputed possession of men of lower social standing and inferior intellectual capacity, who, not being economically independent, are forced to take up politics as a means of livelihood, and to make them their one object in life.

Of these two causes, the first is the easier to remedy. By changes in Parliamentary procedure, and by lightening the legislative duties of the Chamber, much can be done to render the task of a Member of Parliament less exacting, and to give him more leisure for other occupations; M. Poincaré has always consistently advocated reform along these lines, and it may be hoped that something tangible will ultimately be achieved in this direction.

The second cause, however, lies far deeper

and is far more difficult to deal with. It is a tendency which has shown itself in France from the very beginnings of the Revolution; alike a cause of its excesses and a result of them. Taine's conclusions are open to question in many respects, but he has shown with the utmost clearness that the triumph of the Jacobin element was in a great measure due to the apathy and to the political incompetence of the aristocracy and the well-to-do classes; terrified and disgusted by the violent and unscrupulous methods of the so-called patriots, they gave up the struggle almost from the beginning and allowed their opponents to have matters practically all their own way; to seize the reins of Government; to outlaw and execute their opponents; and to confiscate their property. The aristocracy proper never recovered from the events of '92 and '93. Even under Napoleon, whose aim it was to conciliate them, they had little share in the government, which still remained in the hands of Regicides who had become Imperialists. Except for a brief period of activity during the Restoration, the aristocracy in France has since then practi-

cally committed political suicide:—socially, their influence still counts for much; politically, it is negligible.

This, moreover, has been largely their own fault; in many instances they have deliberately declined to take any part in politics, and have allowed the democratic parties to become masters of the machine, without making any effort to prevent this; whilst the policy of those members who have been elected as Royalists has been so entirely negative, so clearly inspired by a hopeless and uncompromising opposition to the present *régime*, that they have practically condemned themselves to impotence in the Chamber. By refusing to work with the moderate Liberals because these were Republicans and opposed to Clericalism, they have simply helped to procure the triumph of the more advanced and more violently anti-Clerical Radicals and Socialist Radicals.¹ They have, in fact, repeated the mistakes of '91. Their reasons for this attitude may be guessed at, and to a certain extent sym-

¹ In many cases, indeed, in the last elections especially, the Monarchists have actually allied themselves with the Socialists against the more moderate Republicans: a suicidal policy.

pathised with, but they are none the less to be deplored. That a section of the community which, by tradition, by social standing, and by economic position, is pre-eminently fitted to take a leading part in political life should decline to do so, and should allow the power to pass almost entirely into other hands, is always a dangerous symptom ; and it is evident that a political thinker, as clear-sighted as the President, must be deeply concerned by it. Moreover, this attitude is unfortunately not confined to the aristocracy proper, but shows a growing tendency to spread to that section of the *bourgeoisie* which aspires to be socially identified with the aristocracy and to occupy its place. A great many well-to-do people in France affect to think that politics are too vulgar and unpleasant to take part in ; they therefore deliberately abstain and decline to use any influence which they possess.

This attitude, which is not without parallel in the United States, is doubly dangerous : it disturbs the proper balance of power, giving an undue share of political influence to the poorer and more ignorant classes ; it withdraws from political life many men

who by their ancestry, their education, and their social and intellectual position are necessary to the proper working of a Parliamentary *régime*, and whose absence makes itself felt. It is this evil especially which M. Poincaré realises so clearly and deplores. He is right in thinking that such an attitude is an entire mistake on the part of those who adopt it, bad in itself and worse in the results which it entails. For it is a sign of cowardice and of stupidity not to maintain the struggle against opponents simply because you hate and despise them, or because their methods are coarse and unscrupulous ; if political beliefs are held with any sort of conviction they are worth fighting for, against anyone, and with any weapons. To abstain from politics in these circumstances is to evade one's responsibilities and is the most certain means of ensuring that those very things which you detest and fear will come to pass. The only way to prevent the Government from being dominated by one's opponents, and measures passed harmful both to one's own interests and to those of the country at large, is to oppose them by every possible means, to make every effort to retain power.

To adopt a disgusted and ineffectual attitude, to "walk out under protest," as it were, merely plays into the adversaries' hands; as has, in fact, happened both in France and in America. The result of the upper classes in those countries abstaining from politics has been that political power, and especially political posts, have largely become a monopoly of men who, having sprung from the impecunious classes, are obliged to make a profession of politics, and, in some cases, have been guilty of practices which, at the best, can only be described as indelicate, and, at the worst, are nothing less than corruption.

The "Spoils system" has never, fortunately, reached the same degree of intensity in France that it has in America, nor has it attained to the dignity of a recognised political doctrine. Nevertheless, there is a distinct tendency in this direction, which M. Poincaré has not been alone in noticing, and which he has been among the first to condemn. For owing to the phenomena noted above, the struggle for political posts and appointments of all kinds occupies far too prominent a place in French political life

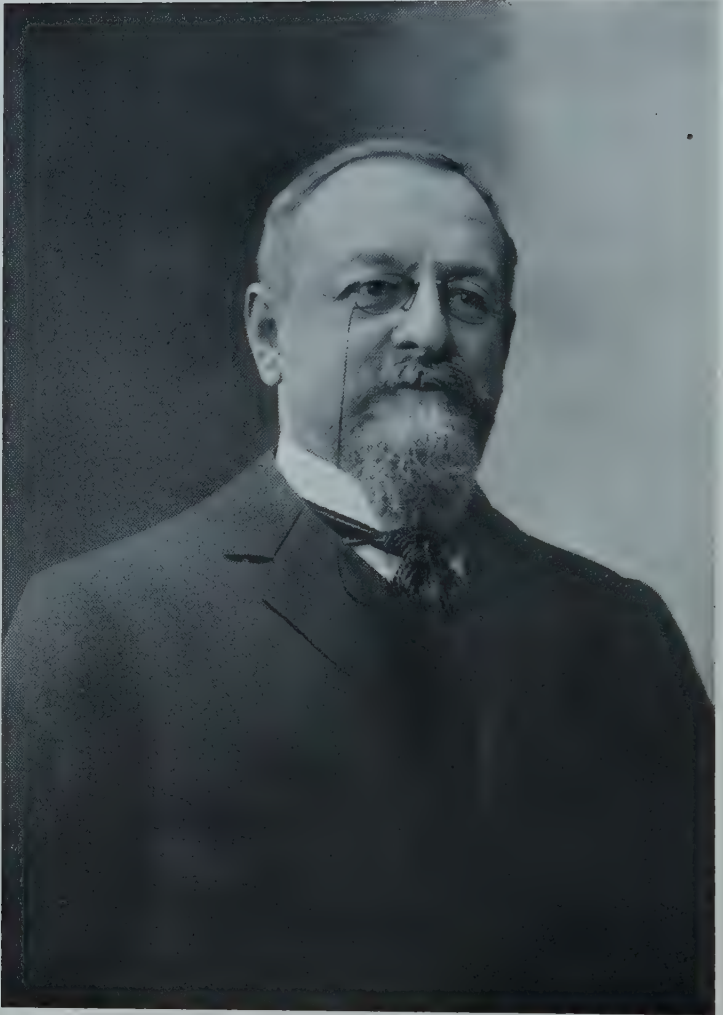


Photo by]

[Manuel, Paris

M. COCHERY.

to-day ; to the detriment both of the Legislative achievements of the Chamber, and the character of its members. Moreover, it has had the worst effects upon the prestige and authority of the Executive, as Governments have far too often been compelled, in order to maintain their majority in the Chamber, to make concessions regarding personal appointments, or similar matters, prejudicial both to the public interest and to their own dignity.

The great power which is still possessed by the Radical and Radical Socialist Party is based to a considerable extent upon their alliance with the *cabaretiers*, or wine merchants, who possess very considerable local power and influence and in some cases enjoy a position somewhat similar to that of the American ward bosses, who also are mostly bar-keepers of low character. The delay in dealing with temperance reform, which has been admitted on all hands to be urgent from the point of view of public health, is to be attributed in no small measure to the wine merchants' hold on the party.

The remedy for this state of things is by no means clear. It may be looked for partly in

a renaissance of the middle-class parties, if they can be led to realise their responsibilities and to take their proper part in the political life of the country. The revival of national confidence and patriotic feeling which has been so striking in France during the past few years holds out some hope that this may prove to be the case, although old grievances and differences over the settlement of the Church question still constitute a great obstacle to the formation of a united middle-class centre party. Something may also be hoped from an improvement in the qualifications of the majority of the electorate through education, and the President has consistently expressed a hope that this will prove to be the case. But such an ideal, while most praiseworthy in itself, demands much time for its realisation, and its effects are by no means certain.

The reform, therefore, from which most is to be hoped immediately would appear to consist in electoral reform, founded on proportional representation.

Twelve years ago, speaking at Rouen, M. Poincaré declared himself in favour of such a reform, by which means, he said, a better method of ascertaining the national

will would be obtained. It is to be hoped this may prove to be the case, and that a reform of the present system will also contribute in some measure to the political education of the electorate.

At present, both in France and in England, owing to the system of election by constituencies and to the smallness of their size, nearly all elections turn unduly on local and personal questions. In England this is in some measure counterbalanced by the existence of the two great parties, with their historic associations and their strong party discipline. In France no such parties exist, and this contributes, as we have seen, to the instability of the Chamber and the weakness of the Executive. Their non-existence is, moreover, bad for the elector, who has little besides local and personal issues to interest him, and, consequently, is more in the power of the local machine. In France the introduction of proportional representation aims at two main results; by making the constituency larger, that is, by substituting for a small district electing one member (*scrutin d'arrondissement*), a larger one electing several members (*scrutin de liste*), it aims at

widening the outlook of the electors and making elections depend less on merely local questions, and consequently less subject to local influences. It also aims at giving minorities due representation by devices akin to the transferable vote. The effect of these reforms may be judged by the attitude of the various French parties towards them.

In England, electoral reform involving proportional representation is mainly supported by advanced Liberals and by opponents of the Party System, who hope that it will tend to give members more independence and minorities more power, both of which results would tend to weaken discipline, which at present they consider too strong. In France, on the other hand, such reform is supported mainly by moderate Liberals of M. Poincaré's type, who hope that it will tend to break the power of the Radical machine, and also give freer play to independent opinion. In other words, it is an individualist middle-class movement aimed at a democratic political machine. The reform is also supported by the Socialists, perhaps mainly because they hope to gain seats at the expense of the Radicals, but also on grounds

of principle. Much in the same way some English Liberals demand electoral reform because, owing to the absence of second ballots in England, the Liberal Party suffers far more than the Conservatists from the present defective electoral system.

All the most statesmanlike politicians in France in addition to the President himself, such as M. Briand, M. Barthou, M. Millerand, and many great thinkers are firm supporters of R.P., as proportional representation is called in France: they hope that the tone of politics will be raised if it is carried through. But it has met with most determined opposition in the Senate, where the Radical Party is strong, and it is difficult to foresee at present when it is likely to be carried.

The point, however, which remains obscure is the effect which it would have on French parties. Would it tend to diminish and consolidate them, or to split them up still further? We have seen that the multiplicity of groups and the absence of party discipline, in the English sense, has been a factor in weakening the authority of the Government, because it can never count upon

a stable majority in the Legislature with the same certainty as an English Cabinet. M. Poincaré has repeatedly called attention to this defect, and has expressed hopes that it may be remedied by the creation of parties in France in the English sense of the word. But whatever advantages the English party system may possess in its own country, it may be questioned whether it is ever likely to exist on the same lines in France, owing not only to the fact that the historical lines of cleavage are different, but also because Frenchmen on the whole possess far more intellectual independence. Diversities of political opinion are likely always to be far more numerous and more acute in France, and party ties much less binding than with us. France must therefore work out her political salvation on her own lines. To this end, however, a reform that will help electors to attain a wider and clearer view of the issues set before them ; which will secure more adequate representation for the interests of minorities ; finally, which may prove to be the stepping-stone to a thoroughgoing scheme of electoral reform based on the qualifications of the elector, can only be regarded with approval.

IX

THE PERSONALITY OF THE PRESIDENT AND THE SIGNIFICANCE OF HIS ELECTION

M. POINCARÉ is first and foremost a thoroughly representative Frenchman of the upper middle class ; of that solid *haute bourgeoisie de province*, which is one of the soundest elements in the French nation, and whose solid qualities have contributed in no small measure to enable France to recover so quickly and so completely from disasters which would have left many other nations prostrate for centuries. We have already seen that he comes of an excellent middle-class family, and that he enjoyed the advantages of healthy and comfortable surroundings in his childhood, of a good education well fitting him for his future career, and of excellent political connections. His family had for generations belonged to the political and professional section of the *bourgeoisie*, which since the bankruptcy and the almost

complete retirement of the French aristocracy from politics, consequent upon the Revolution, has inherited what governmental tradition exists in France, and from whose ranks the great majority of the governing caste, both in politics and in administration, have been recruited.

He therefore springs from a *milieu* favourable to the production of statesmen, and it may be said without fear of contradiction that he unites most of the characteristic qualities of the class to which he belongs with singularly few of its defects.

If one thing more than another is common to all Frenchmen it is the capacity to think clearly and to express themselves lucidly in speech and writing. They have inherited this talent from their intellectual ancestors the Romans, and the French language, without doubt the easiest vehicle for clear, elegant, and polite expression, is at once the cause and the effect of this capacity. All the best French literature is a monument of this lucidity of thought and style.

The few possible exceptions, such as Rabelais and Balzac, are so few and so far between as to be safely negligible ; they serve, in fact,

not as is vulgarly and erroneously called to "prove the rule," but, on the contrary, to show that no rule, however general, can exist without at least some exceptions.

M. Poincaré possesses this quality in a high degree. His literary style has no transcendent merits ; it has neither the delicate flavour of Renan, the trenchant irony of Anatole France, nor the breathless and compelling logic of Taine ; but it is pre-eminently clear, workmanlike, and readable. In addition to the quality of clearness, and closely connected with it, the art of composition is also characteristically French ; and it is in this respect that Boileau, for instance, was so representative of his nation. M. Poincaré's speeches and articles are always soundly and logically constructed on the best principles. He undoubtedly owes this in no small measure to his legal training ; but it is also due to his quality of mind, and it has been one of the principal causes of his success at the Bar and in Parliament. Though possessed of the merits of clearness and order his literary style is marred to a certain extent by monotony, a defect perhaps not unconnected with those very qualities. His speeches read a trifle too smoothly, they lack

variety and contrast in their manner, and their whole tone has a tendency to be somewhat unduly optimistic. The President's sanguine temperament is apt to find expression in phrases which, while clear and elegant, are so consistently smooth and formal as to produce a somewhat official effect. This reproach, however, cannot be made with regard to the numerous speeches he has delivered on financial matters, all of which display a perfect grasp of his subject, and are models of clear and lucid exposition; in their way, little masterpieces. For a political orator this is no drawback, it may in fact be an advantage; but this formal polish, this continual use of one tone, and one tone alone, is apt to be a blemish from a literary point of view. A defect all the more serious because it sometimes helps to obscure and to veil the strong personality which the President undoubtedly possesses, which is demonstrated by his actions and by his whole conduct; but which does not sometimes show itself in his words, and which a critic who knew him through his speeches alone might almost be excused for doubting the existence of.

The contents of his speeches resemble their

outward form. His career has been mainly devoted to advocating a few leading ideas and reforms with patience and perseverance. He has never been accused of Utopianism, and in France, the country of daring political speculation *par excellence*, his ideas may even be considered slightly lacking in originality. But in France originality is common. Courageous and unrestrained idealism has never been wanting, and a little sturdy common sense and steady insistence on a few practical ideas, though in themselves not very original ones, is by no means to be despised; his attitude in this respect has been one of his chief sources of strength.

It would be wrong, however, to imagine that he is a Conservative; he has never advocated the *status quo* in politics as an end in itself, an attitude which all real conservatives adopt. In fact, he has always made strong professions of a Republican and democratic faith. But it must be remembered that such professions are almost a necessity for politicians in modern France. There is no reason to doubt the sincerity of his belief in Republican institutions; no man of his intelligence, and possessed

of his sound practical mind, could for an instant believe that any other form of government is possible in France to-day. It may be questioned, however, whether his affection for, and his conviction in, democratic principles is really so deep and so complete as a perusal of his speeches might lead one to believe. Be this as it may, there can be no doubt that the President inherits that temperamental prudence, amounting in some cases to conservatism, which is typical of the *bourgeois* class from which he springs.

This instinct of caution, both in temperament and in intellect, has shown itself as much in his method of dealing with political problems as in his ideas themselves. In French politics his name is associated mainly with financial reform in various forms, and with the question of proportional representation. These reforms in themselves may be looked upon as advanced, and a certain section of French public opinion so regards them; but M. Poincaré's handling of them has throughout been marked by great prudence and foresight; so much so, indeed, that beyond certain minor financial reforms, it might

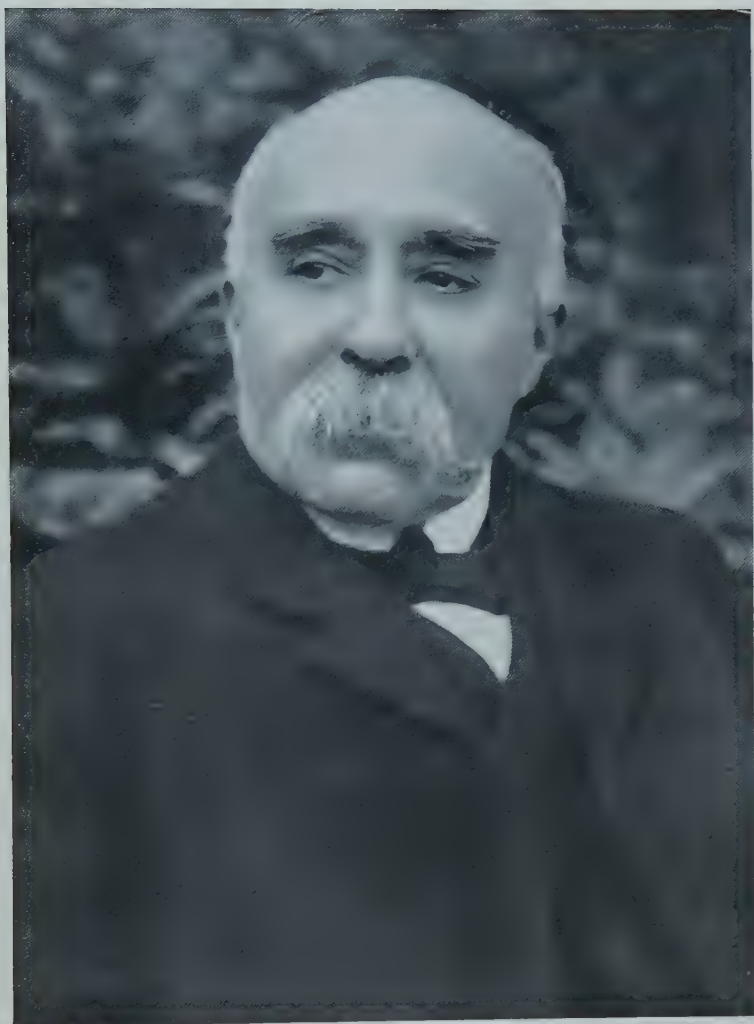


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[Gerschel Paris

M. CLEMENCEAU.

almost be argued that he has achieved little or no tangible results. Despite this slow progress, however, one is justified in hoping that his cautious methods will ultimately be crowned with success, and that the two reforms of which France at present stands most in need, that is to say, the establishment of a moderate income-tax on a sound basis, involving the consequent possibility of reducing the duties on foreign imports, and a better and more representative elective system, which would give independent opinions more scope and more representation, will be realised in the near future. If these reforms are achieved it will be in no small measure due to his consistent advocacy.

The caution so characteristic of his political methods is paralleled by the quality of his ideas themselves. The President is far too intelligent a man to be a reactionary, nor can he be accused of not being abreast of his contemporaries. But his turn of mind is didactic rather than speculative, constructive rather than critical. He is apt to admire those ideas which are currently accepted, and meet with general approval, rather than new theories which have not yet gained (general)

recognition. His speeches are filled with eulogies of the virtues of moderation, order, thrift, and industry.

In literature his tastes are strongly classical. He is devoted both to Latin literature and to the great French dramatists and writers of the seventeenth century. He regards—therein agreeing with many of his countrymen—Racine as the greatest of French poets; and he has always shown great affection for Pascal, La Fontaine, and Boileau, those typical representatives of the French classical spirit.

In music and art he has also expressed a great partiality for perfect technique and for agreeable melody, qualities typical of his favourites, Meissonier and Gounod, in whose praise he has made more than one speech. The defects of his class are perhaps apparent in these preferences. The French *bourgeoisie* has always attached a somewhat excessive value to correct form and to perfection of finish: in many instances, however, only beginning to admire when the finest achievements in a given line were not quite new, and when the particular form was beginning to date. They often dislike innovation, when innovation is a protest against current ideas and

recognised models, and in this sense they are conservatives.

But in spite of a certain tendency to conservatism in literature and art, it must not be thought that the President is in any way narrow-minded. His intellectual tastes are wide and catholic. Throughout his life he has associated intimately with scientists and with men of letters, and has discussed æsthetic and philosophical problems with them ; he has had many friends in the literary and artistic world, and his curiosity in all matters pertaining to art and literature has always been keen.

Finally we come to what is perhaps the most essential feature of the President's character, and his principal asset as a statesman, namely, his complete sanity and his profound optimism. This mental sanity is connected with his excellent health and a fine physique. "*Mens sana in corpore sano*" is an adage which can be applied to few with greater truth than to the President. His well-knit, sturdy figure, his open and cheerful countenance, with vivacious eyes and ever-ready smile, all help to make one realise that here is a man who enjoys life and who

believes in it. This optimism so manifest in his speeches has sometimes had the effect of making them appear a trifle too easy and smooth, affecting his style perhaps somewhat detrimentally; but as a quality in a French statesman it is invaluable. Since the disasters of 1870, pessimism and lack of self-confidence have been constant and disquieting features of French politics and French life. They have been responsible for much of the anti-patriotism prevalent at one time, and for the bitter conflicts which have divided France and weakened her in her dealings with her neighbours.

M. Poincaré, unlike many of his contemporaries, never lost faith and confidence in the future of his country. He has never ceased to preach the necessity and the value of patriotism, and by his efforts he has contributed in no small measure to the great change in French feeling which is now so apparent.

These sentiments are closely allied with his deep family affections, and with his strong feeling for his home, and for his native province. In this also he is typical, and thoroughly representative of his race. No one is more

attached to his family than the average Frenchman ; nowhere are family ties so strong, and nowhere are children so reluctant to be separated from their parents. In like manner Frenchmen are usually strongly attached to their native town, or province, and are often most reluctant to quit it. The deep and passionate attachment to the soil which marks the French peasant is typical of this feeling. It has its drawbacks, notably from the point of view of business and of colonisation, in which the matter-of-fact Englishman, with his capacity for feeling at home wherever he is, has an immense advantage over the more stay-at-home Frenchman, and M. Poincaré has alluded to this more than once in his speeches ; but it is also a source of strength in many ways. M. Poincaré's courage has been sustained in many trials by his love of his native province, and his strong family affections, both of which have contributed to his being liked and respected by his countrymen.

How is M. Poincaré's tenancy of the Elysée likely to affect his country ? What changes and developments in domestic or foreign policy are likely to occur ? These are

questions which all students of French politics, all those interested in the future of the Republic are anxious to see answered. •

There can be no doubt that the last Presidential election aroused more interest in France than any preceding one under the present *régime*, and M. Poincaré's success was hailed with something like genuine enthusiasm.

It came at the moment of a sort of Renaissance of political interest and activity and of the revival of patriotic feeling. It was felt that better than any other French statesman, M. Poincaré represented this new movement, and that as President he would be able to further the policy which he had championed when Premier.

When he succeeded in forming a Government early in 1912, the country was asking for two main things : at home the cessation of violent polemics, accompanied by firm administration and sound financial management ; abroad the maintenance of national dignity and the effective conquest and organisation of Morocco.

Both these aims were thoroughly in keeping with M. Poincaré's opinions and with his

previous record, nor can there be any question that after a year's tenure of office his efforts had been attended with no inconsiderable degree of success. At the beginning of 1913 French internal affairs were in a sounder condition than a year previously, her international position was far stronger, and the task of establishing French government in Morocco was well under way. These results were due in large measure to the ability and the efforts of his colleagues, MM. Briand, Millerand, Delcassé, and Klotz in particular, who had accomplished such excellent work in their various departments. But to their chief must be given the credit of formulating and directing the policy which they had aided him so effectively in carrying out.

Will M. Poincaré, as President, be able to continue the political task he began as Premier? and may it not be urged that it would have been in reality wiser for him to remain Minister, in which position he would have wielded more real power?

Up to the present time it may be said, with little fear of contradiction, that no French President has exercised any effective political

power, or even exercised any considerable political influence ; but this fact is by no means conclusive evidence that he is precluded by the Constitution from doing so, or that an occupant of the Presidential chair who possesses the requisite qualities may not achieve it.

The position of the French President is, of course, not to be compared with that of his American colleague, who is a practical ruler to a greater degree than any European monarch except the German Emperor, whose powers are much of the same kind ; but while invested with far more restricted powers, his position is, nevertheless, in theory at all events, more important than that of a strictly constitutional monarch like the English or Italian sovereign. The President still presides at Cabinet Councils, he declares peace and war, and calls out the army ; he has the power, with the assent of the Senate, of dissolving the Chamber before the regular time for holding new elections ; and he has other prerogatives which might be important, especially that of choosing the Prime Minister who is to form the Cabinet. With us what remains of the royal prerogative is entirely

exercised by the Prime Minister ; it goes to strengthen the head of the executive power, who is already assured of solid support in the Legislature, and without a revolution it could scarcely be used against him. In France, the Presidential powers are exercised by the President himself, or not at all. They do not serve to strengthen the Premier in his dealings with the Legislature. This may be a disadvantage—it probably is—and the right of dissolving Parliament at any moment in England, a royal prerogative exercised by the Prime Minister, would be most useful to many a French Premier, and might have served to make the Chamber less ready to overthrow Governments on such slender pretexts and at such frequent intervals as it has been in the habit of doing. At the present stage, however, the President himself must assert and exercise his powers, or they must remain dormant, for a revision of the French Constitution does not seem likely to occur in the near future.

M. Poincaré, speaking of the working of the Parliamentary system, said : “ Avant de modifier la Constitution, on pourrait tâcher de l’appliquer,” and it may be sur-

mised that in saying this he meant to imply that all the resources at the President's command had not been made use of and that they might well be used to further governmental stability, and to improve the tone of the Legislature.

Greater stability and more influence over that body, entailing continuity of policy and increased prestige in the country, are the great needs of the French Executive. M. Poincaré has shown this most clearly, and it is sincerely to be hoped therefore that his tenure of office will be marked by some tangible advance towards the realisation of this ideal.

There are reasons for supposing that this may prove to be the case. Both in personal popularity and in power of intellect, he enjoys advantages over his predecessors, and there would seem therefore greater chance of his leaving some permanent trace on the development of French political institutions. His predecessors, it is true, were able to do nothing, and were unfortunate in such attempts as they made. But Macmahon was only a soldier and aimed moreover at overthrowing the existing *régime*. Grévy and

Carnot remained studiously neutral, while Casimir-Perier's attempt to assert himself failed prematurely, owing largely to that statesman's lack of character. Faure also tried to make his influence felt, but he was hampered by a reputation for snobbery, fatal in a democratic country, and he rendered his position worse by manifesting too decided a sympathy with what proved to be the losing side in the bitter controversy which divided France during many years. His premature death put an end to attempts at Presidential assertion, and both his successors returned to the studiously neutral attitude of Grévy and Carnot. It must also be remembered that they came from the great Radical Party which dominated French politics from the retirement of Waldeck-Rousseau down to the fall of the Caillaux Cabinet.

It will be indeed extremely interesting to see what a President of M. Poincaré's intellectual powers, and decided political views will be able to achieve, faced as he will perhaps be by a Legislature in the main hostile to his policy. In his Presidential message, he dwelt upon the benefits which his country had derived from forty years of a Republican

government, the *régime*, in his opinion, the best suited to the needs and temperament of modern France. Among these benefits he included peace, political liberty, the restoration of public credit, and the development of the Colonial Empire ; but while dwelling with justifiable pride upon this side of the picture, the President did not attempt to minimise the defects of the existing system. He recognised that the composition of the Chamber was by no means satisfactory, for it often failed to represent properly the true opinions of the electorate, did not contain a sufficiently large proportion of the most useful type of public man, and by its division into many heterogeneous parties was unable to give Cabinets that steady support so necessary to ensure governmental stability and prestige, in his opinion the great need of France at the present time. He attributed the existence of these defects to the inadequacy of the existing electoral system, and insisted upon the need for passing a comprehensive measure of electoral reform based upon proportional representation. He also dwelt upon the necessity for economy, careful financial ad-

ministration, and a reform of the existing system of direct taxation.

All those who are interested in France and wish her well must hope that during his tenure of office M. Poincaré will do all in his power to assist in the realisation of this programme. The mere fact that the Presidency is occupied by a statesman of great popularity at home and great prestige abroad, in both respects to a far greater extent than has been the case hitherto, should have a beneficial effect on French political life in general, and is calculated to help to revive that general interest in the government of the country and that activity in taking part in political life which are the great needs of the Republic at the present time.

From the international standpoint also M. Poincaré's election was not without significance, for his opinions regarding foreign policy have always been clear and definite, just as in home affairs. A convinced Republican and a sincere Liberal, he has always shown himself a thorough patriot, believing in the importance of peace and desirous of maintaining it, but at the same time not recoiling from the prospect of war

should it be forced upon his country, and determined, above all, to ensure that her military and naval forces should be maintained in such a state of efficiency as to prevent her from being subject to dictation from a too powerful neighbour, and to ensure that in the event of war she should face the struggle with at least reasonable prospects of success. His support of the Three Years' Service Law was actuated by his conviction of this necessity.

But to a modern European power, sound diplomacy, alliances or treaties, are as important as, even more important than, military efficiency and readiness. The disaster of 1870 was due just as much to the deplorable mistakes and lack of foresight shown by the French diplomatists at the time as to the unpreparedness of the Imperial army.

France to-day is in a relatively favourable position, allied as she is with Russia and on terms of the closest diplomatic understanding with England. Her whole foreign policy is based upon the existence of these understandings. As long as she can rely upon the maintenance of the Triple Entente, whose

existence acts as a balance to the Triple Alliance, she can count upon the preservation of peace ; for the danger to European peace does not come from France, who has no intention of making an unprovoked attack upon her neighbour ; nor is there much likelihood of her being herself attacked as long as she can rely upon the assistance of England and Russia. If anyone doubts this let him remember the incidents of the summer of 1911, when France, despite great provocation, remained calm ; when Germany, after adopting a menacing attitude, refrained from pushing matters to extremes as soon as she became convinced that France could count upon support.

No one more than M. Poincaré realises the importance of maintaining the Alliance and the *entente*, and he has shown it by his acts. His journeys to St. Petersburg when Premier were a proof of the close and complete harmony of the French and Russian Governments as regards foreign policy, and the fact that the President is a *persona grata* in Russia can only serve to tighten the bonds of the Alliance, and therefore to strengthen his country in her foreign policy.

Of the importance of the *entente* he is no less convinced. He has always shown himself an admirer of English ideas and institutions, and the fact that one of the first official acts of his Presidency was to visit London is sufficient proof of his desire to do all in his power to maintain and strengthen that understanding which has proved such an advantage to both countries since its inception.

As to his action in home politics we still have to await events. Those of the last few months must have come with somewhat of a disappointment to many of the President's supporters. They had counted upon his using his influence and the powers conferred upon him to make the Presidency a more effective factor in the government of the country. So far, M. Poincaré has maintained the studiously neutral attitude of his predecessors. But it is difficult for those who have followed his career and studied his personality to believe that he will either forget or neglect the needs of modern France, which needs he has himself stated to be, in the first place, a sound financial policy coupled with a reform of the fiscal system, free from inquisi-

torial menace and the taint of party system ; in the second place an electoral reform, which will allow in the Chamber a logical alliance of groups and a possibility of continuous legislature.

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